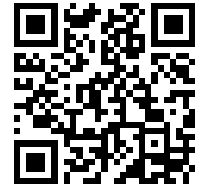


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

BOULDER CANYON PROJECT

FINAL REPORTS

PART I—INTRODUCTORY

Bulletin 2

HOOVER DAM
POWER AND WATER CONTRACTS

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, Secretary

BUREAU OF RECLAMATION
MICHAEL W. STRAUS, Commissioner
LESLIE N. MCCLELLAN, Chief Engineer

BOULDER CANYON PROJECT

FINAL REPORTS

PART I—INTRODUCTORY

Bulletin 2

HOOVER DAM
POWER AND WATER CONTRACTS
AND RELATED DATA

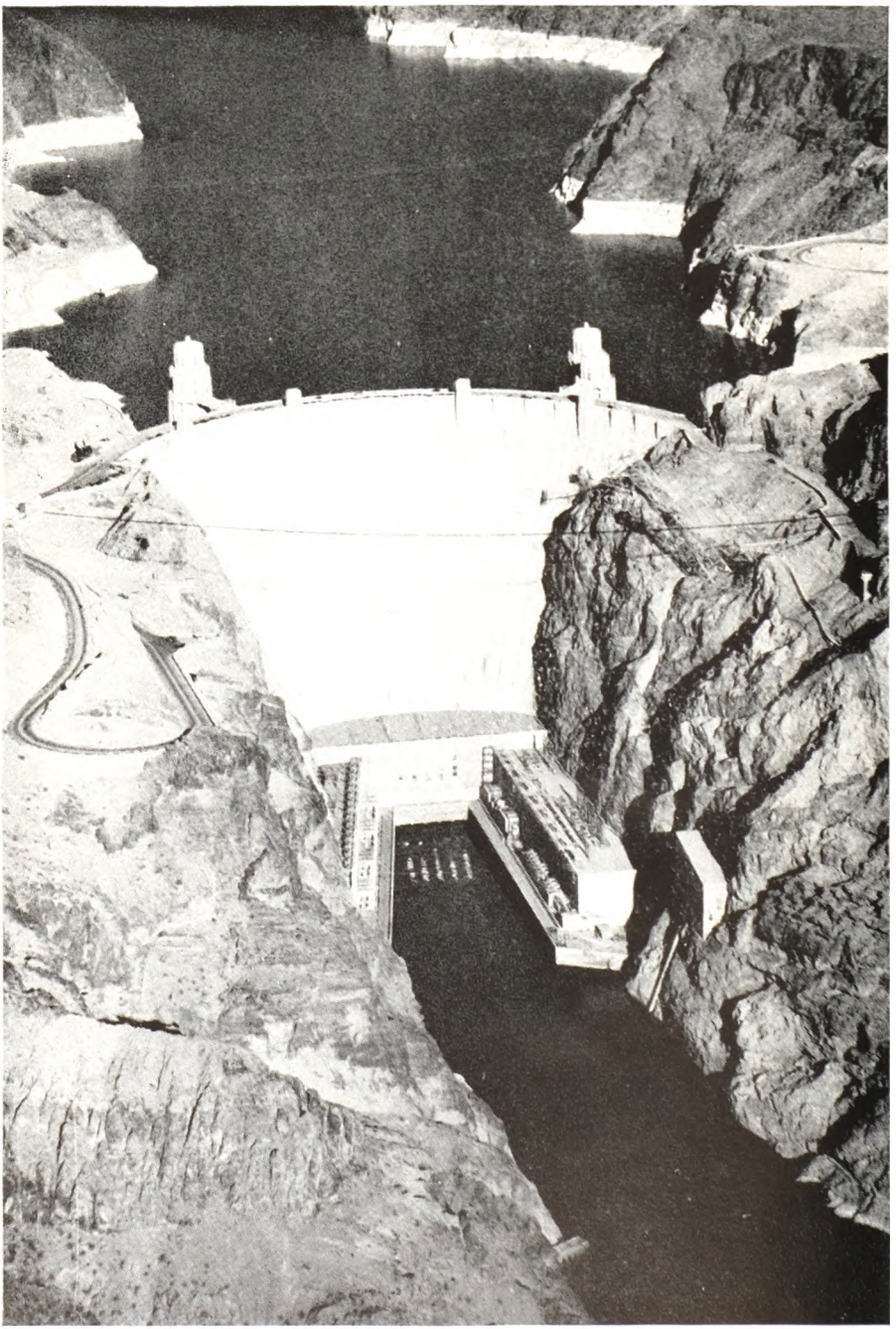
WASHINGTON, D. C.
1950

This bulletin is one of a series prepared to record the history of the Boulder Canyon Project, its legal phases, the results of technical studies and experimental investigations, and the more unusual features of design and construction.

By joint resolution approved by the President April 30, 1947, the United States Congress changed the name of the dam theretofore known as *Boulder* Dam to *Hoover* Dam. The documents reported in this volume antedate the change in name.

A list of the bulletins available and tentatively proposed for publication is given at the end of this report.

For sale by the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C., and the Bureau of Reclamation, Denver Federal Center, Denver, Colorado, Attention: 841. Price, $3.75 (cloth). (See page 1315).



HOOVER DAM

FOREWORD

In compiling and preparing this part of this report, it became apparent that as it is a final and permanent report for historical and reference purposes, it could be used more efficiently by dividing it into categorical subdivisions, as follows:

Subdivision I contains full copies, in chronological order, of the acts of Congress, citations to State statutes authorizing and ratifying the compact, the Colorado River Compact and proclamations of the President.

Subdivision II contains full copies, in chronological order, of the water contracts and the regulations relative thereto, including contracts for the construction of the All-American Canal, and the compromise agreement relating thereto between Imperial irrigation district and Coachella Valley county water district.

Subdivision III contains full copies, in chronological order, of the power contracts and the regulations relative thereto.

Subdivision IV contains full copies, in chronological order, of the miscellaneous contracts.

Subdivision V is a list of the major construction contracts. Such contracts are not reproduced in full because it would require several thousand pages to do so.

Subdivision VI contains full copies of the Opinions of the Attorney General of the United States, the Comptroller General, the Solicitor of the Department of the Interior, and the decision of the Supreme Court of the United States in *Arizona* v. *California,* 283 U. S. 423, 75 L. Ed. 1154, settling some of the important legal questions that arose in connection with the authorization for and construction and operation of the Boulder Canyon project.

Subdivision VII contains full copies of the treaty between the United States and Mexico, the protocol, the Senate resolution consenting to the ratification of the treaty, and the memorandum of understanding between the Department of State and the Department of the Interior.

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SUBDIVISION I

ACTS OF CONGRESS

[ITEM 1]

BOULDER CANYON PROJECT

THE STATUTES

AUTHORIZING THE COLORADO RIVER COMPACT

ACT OF AUGUST 19, 1921 (42 STAT. 171)

An act to permit a compact or agreement between the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming, respecting the disposition and apportionment of the waters of the Colorado River, and for other purposes. (Act August 19, 1921, ch. 72, 42 Stat. 171)

[Sec. 1. Preamble—Apportionment of waters—Federal representative to be appointed—Expenses—Approval.]—Whereas the Colorado River and its several tributaries rise within and flow through or from the boundaries between the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming; and

Whereas the territory included within the drainage area of the said stream and its tributaries is largely arid and in small part irrigated, and the present and future development necessities and general welfare of each of said States and of the United States require the further use of the waters of said streams for irrigation and other beneficial purposes, and that future litigation and conflict respecting the use and distribution of said waters should be avoided and settled by compact between said States; and

Whereas the said States, by appropriate legislation, have authorized the governors thereof to appoint commissioners to represent said States for the purpose of entering into a compact or agreement between said States respecting the future utilization and disposition of the waters of the Colorado River and of the streams tributary thereto; and

Whereas the governors of said several States have named and appointed their respective commissioners for th purposes aforesaid, and have presented their

resolution to the President of the United States requesting the appointment of a representative on behalf of the United States to participate in said negotiations and to represent the interests of the United States: Now, therefore,

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That consent of Congress is hereby given to the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming to negotiate and enter into a compact or agreement not later than January 1, 1923, providing for an equitable division and apportionment among said States of the water supply of the Colorado River and of the streams tributary thereto, upon condition that a suitable person, who shall be appointed by the President of the United States, shall participate in said negotiations, as the representative of and for the protection of the interests of the United States, and shall make report to Congress of the proceedings and of any compact or agreement entered into, and the sum of $10,000, or so much thereof as may be necessary, is hereby authorized to be appropriated to pay the salary and expenses of the representative of the United States appointed hereunder: *Provided,* That any such compact or agreement shall not be binding or obligatory upon any of the parties thereto unless and until the same shall have been approved by the legislature of each of said States and by the Congress of the United States. (42 Stat. 171.)

Sec. 2 [Right to amend reserved.]—That the right to alter, amend or repeal this act is herewith expressly reserved. (42 Stat. 172.)

[ITEM 2]

BOULDER CANYON PROJECT

THE COLORADO RIVER COMPACT

NOVEMBER 24, 1922

The States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming, having resolved to enter into a compact under the act of the Congress of the United States of America approved August 19, 1921 (42 Stat. L., p. 171), and the acts of the legislatures of the said States, have through their governors appointed as their commissioners: W. S. Norviel for the State of Arizona, W. F. McClure for the State of California, Delph E. Carpenter for the State of Colorado, J. G. Scrugham for the State of Nevada, Stephen B. Davis, jr., for the State of New Mexico, R. E. Caldwell for the State of Utah, Frank C. Emerson for the State of Wyoming, who, after negotiations participated in by Herbert Hoover, appointed by the President as the representative of the United States of America, have agreed upon the following articles.

ARTICLE I

The major purposes of this compact are to provide for the equitable division and apportionment of the use of the waters of the Colorado River system; to establish the relative importance of different beneficial uses of water; to promote interstate comity; to remove causes of present and future controversies and to secure the expeditious agricultural and industrial development of the Colorado River Basin, the storage of its waters, and the protection of life and property from floods. To these ends the Colorado River Basin is divided into two basins, and an apportionment of the use of part of the water of the Colorado River system is made to each of them with the provision that further equitable apportionment may be made.

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ARTICLE II

As used in this compact:

(*a*) The term "Colorado River system" means that portion of the Colorado River and its tributaries within the United States of America.

(*b*) The term "Colorado River Basin" means all of the drainage area of the Colorado River system and all other territory within the United States of America to which the waters of the Colorado River system shall be beneficially applied.

(*c*) The term "States of the upper division" means the States of Colorado, New Mexico, Utah, and Wyoming.

(*d*) The term "States of the lower division" means the States of Arizona, California, and Nevada.

(*e*) The term "Lee Ferry" means a point in the main stream of the Colorado River 1 mile below the mouth of the Paria River.

(*f*) The term "Upper Basin" means those parts of the States of Arizona, Colorado, New Mexico, Utah, and Wyoming within and from which waters naturally drain into the Colorado River system above Lee Ferry, and also all parts of said States located without the drainage area of the Colorado River system which are now or shall hereafter be beneficially served by waters diverted from the system above Lee Ferry.

(*g*) The term "Lower Basin" means those parts of the States of Arizona, California, Nevada, New Mexico, and Utah within and from which waters naturally drain into the Colorado River system below Lee Ferry, and also all parts of said States located without the drainage area of the Colorado River system which are now or shall hereafter be beneficially served by waters diverted from the system below Lee Ferry.

(*h*) The term "domestic use" shall include the use of water for household stock, municipal, mining, milling, industrial, and other like purposes, but shall exclude the generation of electrical power.

ARTICLE III

(*a*) There is hereby apportioned from the Colorado River system in perpetuity to the upper basin and to the lower basin, respectively, the exclusive beneficial consumptive use of 7,500,000 acre-feet of water per annum, which shall include all water necessary for the supply of any rights which may now exist.

(*b*) In addition to the apportionment in paragraph (*a*), the lower basin is hereby given the right to increase its beneficial consumptive use of such waters by 1,000,000 acre-feet per annum.

(*c*) If, as a matter of international comity, the United States of America shall hereafter recognize in the United States of Mexico any right to the use of any waters of the Colorado River system, such waters shall be supplied first

from the waters which are surplus over and above the aggregate of the quantities specified in paragraphs (*a*) and (*b*); and if such surplus shall prove insufficient for this purpose, then the burden of such deficiency shall be equally borne by the upper basin and the lower basin, and whenever necessary the States of the upper division shall deliver at Lee Ferry water to supply one-half of the deficiency so recognized in addition to that provided in paragraph (*d*).

(*d*) The States of the upper division will not cause the flow of the river at Lee Ferry to be depleted below an aggregate of 75,000,000 acre-feet for any period of 10 consecutive years reckoned in continuing progressive series beginning with the 1st day of October next succeeding the ratification of this compact.

(*e*) The States of the upper division shall not withhold water, and the States of the lower division shall not require the delivery of water, which can not reasonably be applied to domestic and agricultural uses.

(*f*) Further equitable apportionment of the beneficial uses of the waters of the Colorado River system unapportioned by paragraphs (*a*), (*b*), and (*c*) may be made in the manner provided in paragraph (*g*) at any time after October 1, 1963, if and when either basin shall have reached its total beneficial consumptive use as set out in paragraphs (*a*) and (*b*).

(*g*) In the event of a desire for a further apportionment as provided in paragraph (*f*) any two signatory States, acting through their governors, may give joint notice of such desire to the governors of the other signatory States and to the President of the United States of America, and it shall be the duty of the governors of the signatory States and of the President of the United States of America forthwith to appoint representatives, whose duty it shall be to divide and apportion equitably between the upper basin and lower basin the beneficial use of the unapportioned water of the Colorado River system as mentioned in paragraph (*f*), subject to the legislative ratification of the signatory States and the Congress of the United States of America.

ARTICLE IV

(*a*) Inasmuch as the Colorado River has ceased to be navigable for commerce and the reservation of its waters for navigation would seriously limit the development of its basin, the use of its waters for purposes of navigation shall be subservient to the uses of such waters for domestic, agricultural, and power purposes. If the Congress shall not consent to this paragraph, the other provisions of this compact shall nevertheless remain binding.

(*b*) Subject to the provisions of this compact, water of the Colorado River system may be impounded and used for the generation of electrical power, but such impounding and use shall be subservient to the use and consumption of such water for agricultural and domestic purposes and shall not interfere with or prevent use for such dominant purposes.

(*c*) The provisions of this article shall not apply to or interfere with the regulation and control by any State within its boundaries of the appropriation, use, and distribution of water.

ARTICLE V

The chief official of each signatory State charged with the administration of water rights, together with the Director of the United States Reclamation Service and the Director of the United States Geological Survey, shall cooperate, ex officio—

(*a*) To promote the systematic determination and coordination of the facts as to flow, appropriation, consumption, and use of water in the Colorado River Basin, and the interchange of available information in such matters.

(*b*) To secure the ascertainment and publication of the annual flow of the Colorado River at Lee Ferry.

(*c*) To perform such other duties as may be assigned by mutual consent of the signatories from time to time.

ARTICLE VI

Should any claim or controversy arise between any two or more of the signatory States: (*a*) With respect to the waters of the Colorado River system not covered by the terms of this compact; (*b*) over the meaning or performance of any of the terms of this compact; (*c*) as to the allocation of the burdens incident to the performance of any article of this compact or the delivery of waters as herein provided; (*d*) as to the construction or operation of works within the Colorado River Basin to be situated in two or more States, or to be constructed in one State for the benefit of another State; or (*e*) as to the diversion of water in one State for the benefit of another State, the governors of the States affected upon the request of one of them, shall forthwith appoint commissioners with power to consider and adjust such claim or controversy, subject to ratification by the legislatures of the States so affected.

Nothing herein contained shall prevent the adjustment of any such claim or controversy by any present method or by direct future legislative action of the interested States.

ARTICLE VII

Nothing in this compact shall be construed as affecting the obligations of the United States of America to Indian tribes.

ARTICLE VIII

Present perfected rights to the beneficial use of waters of the Colorado River system are unimpaired by this contract. Whenever storage capacity of

5,000,000 acre-feet shall have been provided on the main Colorado River within or for the benefit of the lower basin, then claims of such rights, if any, by appropriators or users of water in the lower basin against appropriators or users of water in the upper basin shall attach to and be satisfied from water that may be stored not in conflict with Article III.

All other rights to beneficial use of waters of the Colorado River system shall be satisfied solely from the water apportioned to that basin in which they are situated.

ARTICLE IX

Nothing in this compact shall be construed to limit or prevent any State from instituting or maintaining any action or proceeding, legal or equitable, for the protection of any right under this compact or the enforcement of any of its provisions.

ARTICLE X

This compact may be terminated at any time by the unanimous agreement of the signatory States. In the event of such termination, all rights established under it shall continue unimpaired.

ARTICLE XI

This compact shall become binding and obligatory when it shall have been approved by the legislatures of each of the signatory States and by the Congress of the United States. Notice of approval by the legislatures shall be given by the governor of each signatory State to the governors of the other signatory States and to the President of the United States, and the President of the United States is requested to give notice to the governors of the signatory States of approval by the Congress of the United States.

In witness whereof the commissioners have signed this compact in a single original, which shall be deposited in the archives of the Department of State of the United States of America and of which a duly certified copy shall be forwarded to the governor of each of the signatory States.

Done at the city of Santa Fe, N. Mex., this 24th day of November, A. D. 1922.

W. S. NORVIEL.
W. F. MCCLURE.
DELPH E. CARPENTER.
J. G. SCRUGHAM.
STEPHEN B. DAVIS, JR.
R. E. CALDWELL.
FRANK C. EMERSON.

Approved:
HERBERT HOOVER.

[ITEM 3]

BOULDER CANYON PROJECT

JOINT RESOLUTION

TO APPOINT BOARD TO EXAMINE SITE FOR DAM

MAY 29, 1928 (45 STAT. 1011)

Joint resolution to appoint a board of engineers to examine and report upon the dam to be constructed under H. R. 5773, the Boulder Dam bill. (Pub. Res. 65, S. J. Res. 164, May 29, 1928, ch. 918, 45 Stat. 1011)

[Examination and report to be made prior to December 1, 1928—Compensation of board—Construction plans to be approved by board—President's sanction and approval essential—Expenses.]—That the Secretary of the Interior is hereby authorized and directed to appoint a board of five eminent engineers and geologists, at least one of whom shall be an engineer officer of the Army on the active or retired list, to examine the proposed site of the dam to be constructed under the provisions of H. R. 5773, Seventieth Congress, first session, and review the plans and estimates made therefor, and to advise him prior to December 1, 1928, as to matters affecting the safety, the economic and engineering feasibility, and adequacy of the proposed structure and incidental works, the compensation of said board to be fixed by him for each, respectively, but not to exceed $50 per day and necessary traveling expenses, including a per diem of not to exceed $6, in lieu of subsistence, for each member of the board so employed for the time employed and actually engaged upon such work: *And provided further,* That the work of construction shall not be commenced until plans therefor are approved by said special board of engineers. No authority hereby conferred on the Secretary of the Interior shall be exercised without the President's sanction and approval. The expenses herein authorized shall be paid out of the reclamation fund established by the act of June 17, 1902. (45 Stat. 1011.)

[ITEM 4]

BOULDER CANYON PROJECT

THE ACT

PROVIDING FOR THE CONSTRUCTION

DECEMBER 21, 1928 (45 STAT. 1057)

An act to provide for the construction of works for the protection and development of the Colorado River Basin, for the approval of the Colorado River compact, and for other purposes. (Act December 21, 1928, ch. 42, 45 Stat. 1057)

[Sec. 1. Dam at Black or Boulder Canyon for flood control improving navigation, and for storage and delivery of water—Main canal to supply water for Imperial and Coachella Valleys—Power plant—All works in conformity with Colorado River compact.]—That for the purpose of controlling the floods, improving navigation and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters thereof for reclamation of public lands and other beneficial uses exclusively within the United States, and for the generation of electrical energy as a means of making the project herein authorized a self-supporting and financially solvent undertaking, the Secretary of the Interior, subject to the terms of the Colorado River compact hereinafter mentioned, is hereby authorized to construct, operate, and maintain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon adequate to create a storage reservoir of a capacity of not less than twenty million acre-feet of water and a main canal and appurtenant structures located entirely within the United States connecting the Laguna Dam, or other suitable diversion dam, which the Secretary of the Interior is hereby authorized to construct if deemed necessary or advisable by him upon engineering or economic considerations, with the Imperial and Coachella Valleys in California, the expenditures for said main canal and appurtenant structures to be reimbursable, as provided in the re-

clamation law, and shall not be paid out of revenues derived from the sale or disposal of water power or electric energy at the dam authorized to be constructed at said Black Canyon or Boulder Canyon, or for water for potable purposes outside of the Imperial and Coachella Valleys: *Provided, however,* That no charge shall be made for water or for the use, storage, or delivery of water for irrigation or water for potable purposes in the Imperial or Coachella Valleys; also to construct and equip, operate, and maintain at or near said dam, or cause to be constructed, a complete plant and incidental structures suitable for the fullest economic development of electrical energy from the water discharged from said reservoir; and to acquire by proceedings in eminent domain, or otherwise, all lands, rights of way, and other property necessary for said purposes. (45 Stat. 1057.)

Sec. 2. (a) **[Colorado River Dam fund established. (b) Secretary of Treasury to advance amounts necessary up to $165,000,000. $25,000,000 to be allocated to flood control, to be repaid. (c) No expenditures for operation and maintenance except from appropriations. (d) Secretary of Treasury to charge fund for payment of interest. (e) Secretary of Interior to certify to Treasury amount of money in fund in excess of that necessary for consruction, etc.]**—There is hereby established a special fund, to be known as the "Colorado River Dam fund" (hereinafter referred to as the "fund"), and to be available, as hereafter provided, only for carrying out the provisions of this act. All revenues received in carrying out the provisions of this act shall be paid into and expenditures shall be made out of the fund, under the direction of the Secretary of the Interior.

(b) The Secretary of the Treasury is authorized to advance to the fund from time to time and within the appropriations therefor, such amounts as the Secretary of the Interior deems necessary for carrying out the provisions of this act, except that the aggregate amount of such advances shall not exceed the sum of $165,000,000. Of this amount the sum of $25,000,000 shall be allocated to flood control and shall be repaid to the United States out of 62½ per centum of revenues, if any in excess of the amount necessary to meet periodical payments during the period of amortization, as provided in section 4 of this act. If said sum of $25,000,000 is not repaid in full during the period of amortization, then 62½ per centum of all net revenues shall be applied to payment of the remainder. Interest at the rate of 4 per centum per annum accruing during the year upon the amounts so advanced and remaining unpaid shall be paid annually out of the fund, except as herein otherwise provided.

(c) Moneys in the fund advanced under subdivision (b) shall be available only for expenditures for construction and the payment of interest, during construction, upon the amounts so advanced. No expenditures out of the fund shall be made for operation and maintenance except from appropriations therefor.

(d) The Secretary of the Treasury shall charge the fund as of June 30 in each

year with such amount as may be necessary for the payment of interest on advances made under subdivision (b) at the rate of 4 per centum per annum accrued during the year upon the amounts so advanced and remaining unpaid, except that if the fund is insufficient to meet the payment of interest the Secretary of the Treasury may, in his discretion, defer any part of such payment, and the amount so deferred shall bear interest at the rate of 4 per centum per annum until paid.

(e) The Secretary of the Interior shall certify to the Secretary of the Treasury, at the close of each fiscal year, the amount of money in the fund in excess of the amount necessary for construction, operation and maintenance, and payment of interest. Upon receipt of each such certificate the Secretary of the Treasury is authorized and directed to charge the fund with the amount so certified as repayment of the advances made under subdivision (b), which amount shall be covered into the Treasury to the credit of miscellaneous receipts. (45 Stat. 1057.)

Sec. 3. [Appropriation not exceeding $165,000,000 authorized.]—There is hereby authorized to be appropriated from time to time, out of any money in the Treasury not otherwise appropriated, such sums of money as may be necessary to carry out the purposes of this act, not exceeding in the aggregate $165,000,000. (45 Stat. 1058.)

Sec. 4. (a) [When act effective—Ratification of Colorado River compact—Proclamation by President—Agreement by California required—Agreement authorized by Arizona, California, and Nevada—Apportionment of waters—Consumptive use of Gila River by Arizona—Water for domestic and agricultural use. (b) Contracts required for revenues to insure payment of expenses of operation and maintenance, etc., and repayment of construction within 50 years, before any money is appropriated—Work on main canal contingent on provision to insure payment of expenses—Payments to Arizona and Nevada.]—This act shall not take effect and no authority shall be exercised hereunder and no work shall be begun and no moneys expended on or in connection with the works or structures provided for in this act, and no water rights shall be claimed or initiated hereunder, and no steps shall be taken by the United States or by others to initiate or perfect any claims to the use of water pertinent to such works or structures unless and until (1) the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming shall have ratified the Colorado River compact, mentioned in section 13 hereof, and the President by public proclamation shall have so declared, or (2) if said States fail to ratify the said compact within six months from the date of the passage of this act then, until six of said States, including the State of California, shall ratify said compact and shall consent to waive the provisions of the first paragraph of Article XI of said compact, which makes the same binding and obligatory only when approved by each of the seven States signatory thereto, and shall have approved said compact without conditions, save that of such six-State

approval, and the President by public proclamation shall have so declared, and, further, until the State of California, by act of its legislature, shall agree irrevocably and unconditionally with the United States and for the benefit of the States of Arizona, Colorado, Nevada, New Mexico, Utah, and Wyoming, as an express covenant and in consideration of the passage of this act, that the aggregate annual consumptive use (diversions less returns to the river) of water of and from the Colorado River for use in the State of California, including all uses under contracts made under the provisions of this act and all water necessary for the supply of any rights which may now exist, shall not exceed four million four hundred thousand acre-feet of the waters apportioned to the lower basin States by paragraph (a) of Article III of the Colorado River compact, plus not more than one-half of any excess or surplus waters unapportioned by said compact, such uses always to be subject to the terms of said compact.

The States of Arizona, California, and Nevada are authorized to enter into an agreement which shall provide (1) that of the 7,500,000 acre-feet annually apportioned to the lower basin by paragraph (a) of Article III of the Colorado River compact, there shall be apportioned to the State of Nevada 300,000 acre-feet and to the State of Arizona 2,800,000 acre-feet for exclusive beneficial consumptive use in perpetuity, and (2) that the State of Arizona may annually use one-half of the excess or surplus waters unapportioned by the Colorado River compact, and (3) that the State of Arizona shall have the exclusive beneficial consumptive use of the Gila River and its tributaries within the boundaries of said State, and (4) that the waters of the Gila River and its tributaries, except return flow after the same enters the Colorado River, shall never be subject to any diminution whatever by any allowance of water which may be made by treaty or otherwise to the United States of Mexico but if, as provided in paragraph (c) of Article III of the Colorado River compact, it shall become necessary to supply water to the United States of Mexico from waters over and above the quantities which are surplus as defined by said compact, then the State of California shall land will mutually agree with the State of Arizona to supply, out of the main stream of the Colorado River, one-half of any deficiency which must be supplied to Mexico by the lower basin, and (5) that the State of California shall and will further mutually agree with the States of Arizona and Nevada that none of said three States shall withhold water and none shall require the delivery of water, which can not reasonably be applied to domestic and agricultural uses, and (6) that all of the provisions of said tri-State agreement shall be subject in all particulars to the provisions of the Colorado River compact, and (7) said agreement to take effect upon the ratification of the Colorado River compact by Arizona, California, and Nevada.

(b) Before any money is appropriated for the construction of said dam or power plant, or any construction work done or contracted for, the Secretary of the Interior shall make provision for revenues by contract, in accordance with the provisions of this act, adequate in his judgment to insure payment of all

expenses of operation and maintenance of said works incurred by the United States and the repayment, within fifty years from the date of the completion of said works, of all amounts advanced to the fund under subdivision (b) of section 2 for such works, together with interest thereon made reimbursable under this act.

Before any money is appropriated for the construction of said main canal and appurtenant structures to connect the Laguna Dam with the Imperial and Coachella Valleys in California, or any construction work is done upon said canal or contracted for, the Secretary of the Interior shall make provision for revenues, by contract or otherwise, adequate in his judgment to insure payment of all expenses of construction, operation, and maintenance of said main canal and appurtenant structures in the manner provided in the reclamation law.

If during the period of amortization the Secretary of the Interior shall receive revenues in excess of the amount necessary to meet the periodical payments to the United States as provided in the contract, or contracts, executed under this act, then, immediately after the settlement of such periodical payments, he shall pay to the State of Arizona 18¾ per centum of such excess revenues and to the State of Nevada 18¾ per centum of such excess revenues. (45 Stat. 1058, 1059.)

Sec. 5. [Contracts for storage of water and its delivery, and for generation and sale of electrical energy—Congress to prescribe basis of charges—Revenues to be in separate fund. (a) Time limit of 50 years on contracts for electrical energy—Contracts to be made with view of returns—Readjustment of contracts upon demand. (b) Renewal of electrical energy contracts. (c) Contracts to be made with responsible applicants for meeting revenues required—Adjustment of conflicting applications. (d) Contracting agencies for electrical energy may be required to share in benefits.]—That the Secretary of the Interior is hereby authorized, under such general regulations as he may prescribe to contract for the storage of water in said reservoir and for the delivery thereof at such points on the river and on said canal as may be agreed upon, for irrigation and domestic uses, and generation of electrical energy and delivery at the switchboard to States, municipal corporations, political subdivisions, and private corporations of electrical energy generated at said dam, upon charges that will provide revenue which, in addition to other revenue accruing under the reclamation law and under this act, will in his judgment cover all expenses of operation and maintenance incurred by the United States on account of works constructed under this act and the payments to the United States under subdivision (b) of section 4. Contracts respecting water for irrigation and domestic uses shall be for permanent service and shall conform to paragraph (a) of section 4 of this act. No person shall have or be entitled to have the use for any purpose of the water stored as aforesaid except by contract made as herein stated.

After the repayments to the United States of all money advanced with interest,

charges shall be on such basis and the revenues derived therefrom shall be kept in a separate fund to be expended within the Colorado River Basin as may hereafter be prescribed by the Congress.

General and uniform regulations shall be prescribed by the said Secretary for the awarding of contracts for the sale and delivery of electrical energy, and for renewals under subdivision (b) of this section, and in making such contracts the following shall govern:

(a) No contract for electrical energy or for generation of electrical energy shall be of longer duration than fifty years from the date at which such energy is ready for delivery.

Contracts made pursuant to subdivision (a) of this section shall be made with a view to obtaining reasonable returns and shall contain provisions whereby at the end of fifteen years from the date of their execution and every ten years thereafter, there shall be readjustment of the contract, upon the demand of either party thereto, either upward or downward as to price, as the Secretary of the Interior may find to be justified by competitive conditions at distributing points or competitive centers, and with provisions under which disputes or disagreements as to interpretation or performance of such contract shall be determined either by arbitration or court proceedings, the Secretary of the Interior being authorized to act for the United States in such readjustments or proceedings.

(b) The holder of any contract for electrical energy not in default thereunder shall be entitled to a renewal thereof upon such terms and condiitons as may be authorized or required under the then existing laws and regulations, unless the property of such holder dependent for its usefulness on a continuation of the contract be purchased or acquired and such holder be compensated for damages to its property, used and useful in the transmission and distribution of such electrical energy and not taken, resulting from the termination of the supply.

(c) Contracts for the use of water and necessary privileges for the generation and distribution of hydroelectric energy or for the sale and delivery of electrical energy shall be made with responsible applicants therefor who will pay the price fixed by the said Secretary with a view to meeting the revenue requirements herein provided for. In case of conflicting applications, if any, such conflicts shall be resolved by the said Secretary, after hearing, with due regard to the public interest, and in conformity with the policy expressed in the Federal water power act as to conflicting applications for permits and licenses, except that preference to applicants for the use of water and appurtenant works and privileges necessary for the generation and distribution of hydroelectric energy, or for delivery at the switchboard of a hydroelectric plant, shall be given, first, to a State for the generation or purchase of electric energy for use in the State, and the States of Arizona, California, and Nevada shall be given equal opportunity as such applicants.

The rights covered by such preference shall be contracted for by such State within six months after notice by the Secretary of the Interior and to be paid for

on the same terms and conditions as may be provided in other similar contracts made by said Secretary: *Provided, however,* That no application of a State or a political subdivision for an allocation of water for power purposes or of electrical energy shall be denied or another application in conflict therewith be granted on the ground that the bond issue of such State or political subdivision, necessary to enable the applicant to utilize such water and appurtenant works and privileges necessary for the generation and distribution of hydroelectric energy or the electrical energy applied for, has not been authorized or marketed, until after a reasonable time, to be determined by the said Secretary, has been given to such applicant to have such bond issue authorized and marketed.

[Sec. 5.]—(d) Any agency receiving a contract for electrical energy equivalent to one hundred thousand firm horsepower, or more, may, when deemed feasible by the said Secretary, from engineering and economic considerations and under general regulations prescribed by him, be required to permit any other agency having contracts hereunder for less than the equivalent of twenty-five thousand firm horsepower, upon application to the Secretary of the Interior made within sixty days from the execution of the contract of the agency the use of whose transmission line is applied for, to participate in the benefits and use of any main transmission line constructed or to be constructed by the former for carrying such energy (not exceeding, however, one-fourth the capacity of such line), upon payment by such other agencies of a reasonable share of the cost of construction, operation, and maintenance thereof.

The use is hereby authorized of such public and reserved lands of the United States as may be necessary or convenient for the construction, operation, and maintenance of main transmission lines to transmit said electrical energy. (45 Stat. 1060.)

Sec. 6. [River regulation improvement of navigation, flood control—Irrigation and domestic use—Power—Title of dam to remain in United States—Contracts of lease of a unit or units of Government-built plant with right to generate electrical energy—Rules and regulations regarding maintenance of works to be in conformity with Federal water power act—Issuance of power permits or licenses.]—That the dam and reservoir provided for by section 1 hereof shall be used: First, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of present perfected rights in pursuance of Article VIII of said Colorado River compact; and third, for power. The title to said dam, reservoir, plant, and incidental works shall forever remain in the United States, and the United States shall, until otherwise provided by Congress, control, manage, and operate the same, except as herein otherwise provided: *Provided, however,* That the Secretary of the Interior may, in his discretion, enter into contracts of lease of a unit or units of any Government-built plant, with right to generate electrical energy, or, alternatively, to enter into contracts of lease for the use of water for

the generation of electrical energy as herein provided, in either of which events the provisions of section 5 of this act relating to revenue, term, renewals, determination of conflicting applications, and joint use of transmission lines under contracts for the sale of electrical energy, shall apply.

The Secretary of the Interior shall prescribe and enforce rules and regulations conforming with the requirements of the Federal water power act, so far as applicable, respecting maintenance of works in condition of repair adequate for their efficient operation, maintenance of a system of accounting, control of rates and service in the absence of State regulation or interstate agreement, valuation for rate-making purposes, transfers of contracts, contracts extending beyond the lease period, expropriation of excessive profits, recapture and/or emergency use by the United States of property of lessees, and penalties for enforcing regulations made under this act or penalizing failure to comply with such regulations or with the provisions of this act. He shall also conform with other provisions of the Federal water power act and of the rules and regulations of the Federal Power Commission, which have been devised or which may be hereafter devised, for the protection of the investor and consumer.

The Federal Power Commission is hereby directed not to issue or approve any permits or licenses under said Federal water power act upon or affecting the Colorado River or any of its tributaries, except the Gila River, in the States of Colorado, Wyoming, Utah, New Mexico, Nevada, Arizona, and California until this act shall become effective as provided in section 4 herein. (45 Stat. 1061.)

Sec. 7. [Title to main canal—Utilization of power possibilities by participating agencies—Revenues.]—That the Secretary of the Interior may, in his discretion, when repayments to the United States of all money advanced, with interest, reimbursable hereunder, shall have been made, transfer the title to said canal and apurtenant structures, except the Laguna Dam and the main canal and appurtenant structures down to and including Syphon Drop, to the districts or other agencies of the United States having a beneficial interest therein in proportion to their respective capital investments under such form of organization as may be acceptable to him. The said districts or other agencies shall have the privilege at any time of utilizing by contract or otherwise such power possibilities as may exist upon said canal, in proportion to their respective contributions or obligations toward the capital cost of said canal and appurtenant structures from and including the diversion works to the point where each respective power plant may be located. The net proceeds from any power development on said canal shall be paid into the fund and credited to said districts or other agencies on their said contracts, in proportion to their rights to develop power, until the districts or other agencies using said canal shall have paid thereby and under any contract or otherwise an amount of money equivalent to the operation and maintenance expense and cost of construction thereof. (45 Stat. 1062.)

Sec. 8. (a). [Colorado River compact to control in use of water. (b) Use of water also governed by compact among States of the lower division.]—The United States, its permittees, licensees, and contractees, and all users and appropriators of water stored, diverted, carried and/or distributed by the reservoir, canals, and other works herein authorized, shall observe and be subject to and controlled by said Colorado River compact in the construction, management, and operation of said reservoir, canals, and other works and the storage, diversion, delivery, and use of water for the generation of power, irrigation, and other purposes, anything in this act to the contrary notwithstanding, and all permits, licenses, and contracts shall so provide.

(b) Also the United States, in constructing, managing and operating the dam, reservoir, canals, and other works herein authorized, including the appropriation, delivery, and use of water for the generation of power, irrigation, or other uses, and all users of water thus delivered and all users and appropriators of waters stored by said reservoir and/or carried by said canal, including all permittees and licensees of the United States or any of its agencies, shall observe and be subject to and controlled, anything to the contrary herein notwithstanding, by the terms of such compact, if any, between the States of Arizona, California, and Nevada, or any two thereof, for the equitable division of the benefits, including power, arising from the use of water accruing to said States, subsidiary to and consistent with said Colorado River compact, which may be negotiated and approved by said States and to which Congress shall give its consent and approval on or before January 1, 1929; and the terms of any such compact concluded between said States and approved and consented to by Congress after said date; *Provided,* That in the latter case such compact shall be subject to all contracts, if any, made by the Secretary of the Interior under section 5 hereof prior to the date of such aproval and consent by Congress. (45 Stat. 1062.)

Sec. 9. [Withdrawal of all irrigable lands—Entry under reclamation law—Preference in entry to soldiers.]—That all lands of the United States found by the Secretary of the Interior to be practicable of irrigation and reclamation by the Secretary of the Interior to be practicable of irrigation and reclamation by the irrigation works authorized herein shall be withdrawn from public entry. Thereafter, at the direction of the Secretary of the Interior, such lands shall be opened for entry, in tracts varying in size but not exceeding one hundred and sixty acres, as may be determined by the Secretary of the Interior, in accordance with the provisions of the reclamation law, and any such entryman shall pay an equitable share in accordance with the benefits received, as determined by the said Secretary, of the construction cost of said canal and appurtenant structures; said payments to be made in such installments and at such times as may be specified by the Secretary of the Interior, in accordance with the provisions of the said reclamation law, and shall constitute revenue from said project and be covered into the fund herein provided for: *Provided,* That all persons who have

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served in the United States Army, Navy, or Marine Corps during the war with Germany, the war with Spain, or in the suppression of the insurrection in the Philippines, and who have been honorably separated or discharged therefrom or placed in the Regular Army or Navy Reserve, shall have the exclusive preference right for a period of three months to enter said lands, subject, however, to the provisions of subsection (c) of section 4, act of December 5, 1924 (Forty-third Statutes at Large, page 702), and also, so far as practicable, preference shall be given to said persons in all construction work authorized by this act: *Provided further,* That in the event such an entry shall be relinquished at any time prior to actual residence upon the land by the entryman for not less than one year, lands so relinquished shall not be subject to entry for a period of sixty days after the filing and notation of the relinquishment in the local land office, and after the expiration of said sixty-day period such lands shall be open to entry, subject to the preference in this section provided. (45 Stat. 1063.)

Sec. 10. [Contract with Imperial Irrigation District not modified—Additional contracts.]—That nothing in this act shall be construed as modifying in any manner the existing contract, dated October 23, 1918, between the United States and the Imperial Irrigation District, providing for a connection with Laguna Dam; but the Secretary of the Interior is authorized to enter into contract or contracts with the said district or other districts, persons, or agencies for the construction, in accordance with this act, of said canal and appurtenant structures, and also for the operation and maintenance thereof, with the consent of the other users. (45 Stat. 1063.)

Sec. 11. [Studies and investigations of Parker-Gila Valley project—Report by December 10, 1931.]—That the Secretary of the Interior is hereby authorized to make such studies, surveys, investigations, and do such engineering as may be necessary to determine the lands in the State of Arizona that should be embraced within the boundaries of a reclamation project, heretofore commonly known and hereafter to be known as the Parker-Gila Valley reclamation project, and to recommend the most practicable and feasible method of irrigating lands within said project, or units thereof, and the cost of the same; and the appropriation of such sums of money as may be necessary for the aforesaid purposes from time to time is hereby authorized. The Secretary shall report to Congress as soon as practicable, and not later than December 10, 1931, his findings, conclusions, and recommendations regarding such project. (45 Stat. 1063.)

Sec. 12. [Definitions of terminology employed.]—"Political subdivision" or "political subdivisions" as used in this act shall be understood to include any State, irrigation or other district, municipality, or other governmental organization.

"Reclamation law" as used in this act shall be understood to mean that certain

act of the Congress of the United States approved June 17, 1902, entitled "An act appropriating the receipts from the sale and disposal of public land in certain States and Territories to the construction of irrigation works for the reclamation of arid lands", and the acts amendatory thereof and supplemental thereto.

"Maintenance" as used herein shall be deemed to include in each instance provision for keeping the works in good operating condition.

"The Federal water power act", as used in this act, shall be understood to mean that certain act of Congress of the United States approved June 10, 1920, entitled, "An act to create a Federal Power Commission; to provide for the improvement of navigation; the development of water power; the use of the public lands in relation thereto; and to repeal section 18 of the river and harbor appropriation act, approved August 8, 1917, and for other purposes", and the acts amendatory thereof and supplemental thereto.

"Domestic" whenever employed in this act shall include water uses defined as "domestic" in said Colorado River compact. (45 Stat. 1064.)

Sec. 13. (a) [Approval of Colorado River compact by congress—(b) Rights of United States and of all parties claiming under United States—(c) All patents, contracts, grants, etc., subject to compact—(d) All conditions and covenants to run with the land.]—The Colorado River compact signed at Santa Fe, New Mexico, November 24, 1922, pursuant to act of Congress approved August 19, 1921, entitled "An act to permit a compact or agreement between the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming respecting the disposition and apportionment of the waters of the Colorado River, and for other purposes", is hereby approved by the Congress of the United States, and the provisions of the first paragraph of article 11 of the said Colorado River compact, making said compact binding and obligatory when it shall have been approved by the legislature of each of the signatory States, are hereby waived, and this approval shall become effective when the State of California and at least five of the other States mentioned, shall have approved or may hereafter approve said compact as aforesaid and shall consent to such waiver, as herein provided.

(b) The rights of the United States in or to waters of the Colorado River and its tributaries howsoever claimed or acquired, as well as the rights of those claiming under the United States, shall be subject to and controlled by said Colorado River compact.

(c) Also all patents, grants, contracts, concessions, leases, permits, licenses, rights of way, or other privileges from the United States or under its authority, necessary or convenient for the use of waters of the Colorado River or its tributaries, or for the generation or transmission of electrical energy generated by means of the waters of said river or its tributaries, whether under this act, the Federal water power act, or otherwise, shall be upon the express condition and

with the express covenant that the rights of the recipients or holders thereof to waters of the river or its tribuaries, for the use of which the same are necessary, convenient, or incidental, and the use of the same shall likewise be subject to and controlled by said Colorado River compact.

(d) The conditions and covenants referred to herein shall be deemed to run with the land and the right, interest, or privilege therein and water right, and shall attach as a matter of law, whether set out or referred to in the instrument evidencing any such patent, grant, contract, concession, lease, permit, license, right of way, or other privilege from the United States or under its authority, or not, and shall be deemed to be for the benefit of and be available to the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming, and the users of water therein or thereunder, by way of suit, defense, or otherwise, in any litigation respecting the waters of the Colorado River or its tributaries. (45 Stat. 1064.)

Sec. 14. [This act a supplement to the reclamation law.]—This act shall be deemed a supplement to the reclamation law, which said reclamation law shall govern the construction, operation, and management of the works herein authorized, except as otherwise herein provided. (45 Stat. 1065.)

Sec. 15. [Investigations and reports regarding use of water—Appropriation of $250,000 authorized.]—The Secretary of the Interior is authorized and directed to make investigation and public reports of the feasibility of projects for irrigation, generation of electric power, and other purposes in the States of Arizona, Nevada, Colorado, New Mexico, Utah, and Wyoming for the purpose of making such information available to said States and to the Congress, and of formulating a comprehensive scheme of control and the improvement and utilization of the water of the Colorado River and its tributaries. The sum of $250,000 is hereby authorized to be appropriated from said Colorado River Dam fund, created by section 2 of this act, for such purposes. (45 Stat. 1065.)

Sec. 16. [Cooperation of commissions or commissioners with Secretary of Interior—Access to records.]—In furtherance of any comprehensive plan formulated hereafter for the control, improvement, and utilization of the resources of the Colorado River system and to the end that the project authorized by this act may constitute and be administered as a unit in such control, improvement, and utilization, any commission or commissioner duly authorized under the laws of any ratifying State in that behalf shall have the right to act in an advisory capacity to and in cooperation with the Secretary of the Interior in the exercise of any authority under the provisions of sections 4, 5, and 14 of this act, and shall have at all times access to records of all Federal agencies empowered to act under said sections, and shall be entitled to have copies of said records on request. (45 Stat. 1065.)

Sec. 17. [Claims of the United States arising from any contract authorized by this act.]—Claims of the United States arising out of any contract authorized by this act shall have priority over all others, secured or unsecured. (45 Stat. 1065.)

Sec. 18. [Rights of States to waters within their borders.] —Nothing herein shall be construed as intefering with such rights as the States now have either to the waters within their borders or to adopt such policies and enact such laws as they may deem necessary with respect to the appropriation, control, and use of waters within their borders, except as modified by the Colorado River compact or other interstate agreement. (45 Stat. 1065.)

Sec. 19. [Consent of Congress given to basin States to enter into compacts regarding use of water—(a) Representative of United States to cooperate in formulation of compacts—Approval by legislatures and by Congress.]—That the consent of Congress is hereby given to the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming to negotiate and enter into compacts or agreements, supplemental to and in conformity with the Colorado River compact and consistent with this act for a comprehensive plan for the development of the Colorado River and providing for the storage, diversion, and use of the waters of said river. Any such compact or agreement may provide for the construction of dams, headworks, and other diversion works or structures for flood control, reclamation, improvement of navigation, division of water, or other purposes and/or the construction of power houses or other structures for the purpose of the development of water power and the financing of the same; and for such purposes may authorize the creation of interstate commissions and/or the creation of corporations, authorities, or other instrumentalities.

(a) Such consent is given upon condition that a representative of the United States, to be appointed by the President, shall participate in the negotiations and shall make report to Congress of the proceedings and of any compact or agreement entered into.

(b) No such compact or agreement shall be binding or obligatory upon any of such States unless and until it has been approved by the legislature of each of such States and by the Congress of the United States. (45 Stat. 1065.)

Sec. 20. [Right of Mexico to waters of Colorado River system not affected by this act.]—Nothing in this act shall be construed as a denial or recognition of any rights, if any, in Mexico to the use of the waters of the Colorado River system. (45 Stat. 1066.)

Sec. 21. [Short title of act.]—That the short title of this act shall be "Boulder Canyon project act." (45 Stat. 1066.)

[ITEM 5]

BOULDER CANYON PROJECT

THE PRESIDENT'S PROCLAMATION

JUNE 25, 1929 (46 STAT. 3000)

By the President of the United States of America:

PUBLIC PROCLAMATION

Pursuant to the provisions of section 4 (a) of the Boulder Canyon project act approved December 21, 1928 (45 Stat. 1057), it is hereby declared by public proclamation:

(a) That the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming have not ratified the Colorado River Compact mentioned in section 13 (a) of said act of December 21, 1928, within six months from the date of the passage and approval of said act.

(b) That the States of California, Colorado, Nevada, New Mexico, Utah, and Wyoming have ratified said compact and have consented to waive the provisions of the first paragraph of Article XI of said compact, which makes the same binding and obligatory only when approved by each of the seven States signatory thereto, and that each of the States last named has approved said compact without condition, except that of six-State approval as prescribed in Section 13 (a) of said act of December 21, 1928.

(c) That the State of California has in all things met the requirements set out in the first paragraph of section 4 (a) of said act of December 21, 1928, necessary to render said act effective on six-State approval of said compact.

(d) All prescribed conditions having been fulfilled, the said Boulder Canyon project act approved December 21, 1928, is hereby declared to be effective this date.

In testimony whereof I have hereunto set my hand and caused the seal of the United States of America to be affixed.

Done at the city of Washington this 25th day of June, in the year of our Lord one thousand nine hundred and twenty-nine, and of the Independence of the United States of America the one hundred and fifty-third.

[SEAL] HERBERT HOOVER.

By the President:

HENRY L. STIMSON, *Secretary of State.*

[ITEM 6]

BOULDER CANYON PROJECT

RIGHT-OF-WAY FOR AQUEDUCT

AN ACT GRANTING CERTAIN PUBLIC AND RESERVED LANDS TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

JUNE 18, 1932 (47 STAT. 324)

An act granting to the Metropolitan Water District of Southern California certain public and reserved lands of the United States in the counties of Los Angeles, Riverside, and San Bernardino, in the State of California. (Act June 18, 1932, 47 Stat. 324)

Sec. 1. [Grant to district of lands for rights-of-way and other purposes —Subject to filing of maps—Payment for lands conveyed other than for rights-of-way for acqueduct—Compensation for Indian lands—Locations, width, extent.]—That, subject to the reservation, until their disposition is hereafter expressly directed by law, of all mineral except earth, stone, sand, gravel, and other materials of like character, there is hereby granted to the Metropolitan Water District of Southern California, a public corporation of the State of California, all lands belonging to the United States, situate in the counties of Los Angeles, Riverside, and San Bernardino, in the State of California, including trust or restricted Indian allotments in any Indian reservation or lands reserved for any purpose in connection with the Indian Service, which have not been conveyed to any allottee with full power of alienation, which may be necessary, as found by the Secretary of the Interior, for any or all of the following purposes: Rights-of-way; buildings and structures; construction and maintenance camps; dumping grounds; flowage; diverting or storage dams; pumping plants; power plants, canals, ditches, pipes, and pipe lines; flumes, tunnels, and conduits for conveying water for domestic, irrigation,

power, and other useful purposes; poles, towers, and lines for the conveyance and distribution of electrical energy; poles and lines for telephone and telegraph purposes; roads, trails, bridges, tramways, railroads, and other means of locomotion, transmission, or communication; for obtaining stone, earth, gravel, and other materials of like character; or any other necessary purposes of said district, together with the right to take for its own use, free of cost, from any public lands, within such limits as the Secretary of the Interior may determine, stone, earth, gravel, sand, and other materials of like character necessary or useful in the construction, operation, and maintenance of acqueducts, reservoirs, dams, pumping plants, electric plants, and transmission, telephone, and telegraph lines, roads, trails, bridges, tramways, railroads, and other means of locomotion, transmission, and communication, or any other necessary purposes of said district. This grant shall be effective upon (1) the filing by said grantee at any time after the passage of this act, with the register of the United States local land office in the district where said lands are situated, of a map or maps showing the boundaries, locations, and extent of said lands and of said rights-of-way for the purposes hereinabove set forth; (2) the aproval of such map or maps by the Secretary of the Interior, with such reservations or modifications as he may deem appropriate; (3) the payment of $1.25 per acre for all Government lands conveyed under this act other than for the right-of-way for the acqueduct, and (4) for all lands conveyed in Indian reservations or in Indian allotments which have not been conveyed to the allottee with full power of alienation, the district shall pay for the benefit of the Indians such just compensation as may be determined by the Secretary of the Interior: *Provided,* That said lands for rights-of-way shall be along such locations and of such width, not to exceed two hundred and fifty feet, as in the judgment of the Secretary of the Interior may be required for the purposes of this act: *And provided further,* That said lands for any of said purposes other than for rights-of-way for the acqueduct may be of such width or extent as may be determined by the Secretary of the Interior as necessary for such purposes.

SEC. 2. **[Maps filed by district in connection with previous applications, still pending or which have been granted.]**—Whenever the lands or the rights-of-way are the same as are designated on any map heretofore filed by said district or by the city of Los Angeles in connection with any application for a right-of-way under any statute of the United States, which said application is still pending, or has been granted, and is unrevoked and has been transferred to and is now owned by said district, then upon the approval by the Secretary of the Interior of any such later map with such modifications and under such conditions as he may deem appropriate the rights hereby granted shall, as to such lands or rights-of-way, become effective as of the date of the filing of said earlier map or maps with the register of the United States local land office.

SEC. 3. **[Lands in national forest subject to approval—Date said lands shall vest in grantee.]**—If any of the lands to which the said district seeks to acquire title under sections 1 and 2 of this act are in a national forest, the said map or maps shall be subject to the approval of the Secretary of Agriculture so far as national-forest lands are affected; and upon such approval and the subsequent approval by the Secretary of the Interior, title to said lands shall vest in the grantee upon the date of such subsequent approval.

SEC. 4. **[Grants subject to prior claims.]**—Said grants are to be made subject to the rights of all claimants or persons who shall have filed or made valid claims, locations, or entries on or to said lands, or any part thereof prior to the effective date of any conflicting grant hereunder, unless prior to such effective date proper relinquishments or quitclaims have been procured and caused to be filed in the proper land office.

SEC. 5. **[Land to revest in United States on cessation of use.]**—On the cessation of use of the land granted for the purposes of the grant the estate of the grantee or of its assigns shall terminate and revest in the United States.

[ITEM 7]

BOULDER CANYON PROJECT

ADJUSTMENT ACT

AUTHORIZING THE SECRETARY OF THE INTERIOR TO PUT INTO EFFECT CHARGES FOR ELECTRICAL ENERGY GENERATED AT BOULDER DAM

JULY 19, 1940 (54 STAT. 774)

An act authorizing the Secretary of the Interior to promulgate and to put into effect charges for electrical energy generated at Boulder Dam, providing for the application of revenues from said project, authorizing the operation of the Boulder Power Plant by the United States directly or through agents, and for other purposes. (Act of July 19, 1940, 54 Stat. 774)

SEC. 1. [Secretary to promulgate charges for energy generated—Charges may be subject to revision.]—That the Secretary of the Interior is hereby authorized and directed to, and he shall, promulgate charges, or the basis of computation thereof, for electrical energy generated at Boulder Dam during the period beginning June 1, 1937, and ending May 31, 1987, computed to be sufficient, together with other net revenues from the project, to accomplish the following purposes:

(a) To meet the cost of operation and maintenance, and to provide for replacements, of the project during the period beginning June 1, 1937, and ending May 31, 1987;

(b) To repay to the Treasury, with interest, the advances to the Colorado River Dam Fund for the project made prior to June 1, 1937, within fifty years from that date (excluding advances allocated to flood control by section 2 (b) of the Project Act, which shall be repayable as provided in section 7 hereof), and such portion of such advances made on and after June 1, 1937, as (on the basis of repayment thereof within such fifty-year period or periods as the Secretary may determine) will be repayable prior to June 1, 1987;

(c) To provide $600,000 for each of the years and for the purposes specified in section 2 (c) hereof; and

(d) To provide $500,000 for each of the years and for the purposes specified in section 2 (d) hereof.

Such charges may be made subject to revisions and adjustments at such times, to such extent, and in such manner, as by the terms of their promulgation the Secretary shall prescribe.

SEC. 2. [Receipts to be paid into Colorado River Dam Fund—To be available for (a) operation and maintenance and replacements, (b) repayment to Treasury, (c) payments to Arizona and Nevada and if taxes are levied by Arizona or Nevada payments to them to be reduced an equivalent amount, and (d) transfer of funds to the Colorado River Development Fund for studies, investigations, and construction.]—All receipts from the project shall be paid into the Colorado River Dam Fund and shall be available for:

(a) Annual appropriation for the operation, maintenance, and replacements of the project, including emergency replacements necessary to insure continuous operations;

(b) Repayment to the Treasury, with interest (after making provision for the payments and transfers provided in subdivisions (c) and (d) hereof, of advances to the Colorado River Dam Fund for the construction of the project (excluding the amount allocated to flood control by section 2 (b) of the Project Act), and any readvances made to said fund under section 5 hereof; and

(c) Payment subject to the provisions of section 3 hereof, in commutation of the payments now provided for the States of Arizona and Nevada in section 4 (b) of the Project Act, to each of said States of the sum of $300,000 for each year of operation, beginning with the year of operation ending May 31, 1938, and continuing annually thereafter until and including the year of operation ending May 31, 1987, and such payments for any year of operation which shall have expired at the time when this subdivision (c) shall become effective shall be due immediately, and be paid, without interest, as expeditiously as administration of this Act will permit, and each such payment for subsequent years of operation shall be made on or before July 31, following the close of the year of operation for which it is made. All such payments shall be made from revenues hereafter received in the Colorado River Dam Fund.

Notwithstanding the foregoing provisions of this subsection, in the event that there are levied and collected by or under authority of Arizona or Nevada or by any lawful taxing political subdivision thereof, taxes upon—

(i) the project as herein defined;

(ii) the electrical energy generated at Boulder Dam by means of facilities, machinery, or equipment both owned and operated by the United States, or owned by the United States and operated under contract with the United States;

(iii) the privilege of generating or transforming such electrical energy or of use of such facilities, machinery, or equipment or of falling water for such generation or transforming; or

(iv) the transmission or control of such electrical energy so generated or transformed (as distinguished from the transmission lines and other physical properties used for such transmission or control) or the use of such transmission lines or other physical properties for such transmission or control,

payments made hereunder to the State by or under the authority of which such taxes are collected shall be reduced by an amount equivalent to such taxes. Nothing herein shall in anywise impair the right of either the State of Arizona or the State of Nevada, or any lawful taxing political subdivision of either of them, to collect nondiscriminatory taxes upon that portion of the transmission lines and all other physical properties, situated within such State and such political subdivision, respectively, and belonging to any of the lessees and/or allottees under the Project Act and/or under this Act, and nothing herein shall exempt or be construed so as to exempt any such property from nondiscriminatory taxation, all in the manner provided by the constitution and laws of such State. Sums, if any, received by each State under the provisions of the Project Act shall be deducted from the first payment or payments to said State authorized by this Act. Payments under this section 2 (c) shall be deemed contractual obligations of the United States, subject to the provisions of section 3 of this Act.

(d) Transfer, subject to the provisions of section 3 hereof, from the Colorado River Dam Fund to a special fund in the Treasury, hereby established and designated the "Colorado River Development Fund", of the sum of $500,000 for the year of operation ending May 31, 1938, and the like sum of $500,000 for each year of operation thereafter, until and including the year of operation ending May 31, 1987. The transfer of the said sum of $500,000 for each year of operation shall be made on or before July 31 next following the close of the year of operation for which it is made: *Provided,* That any such transfer for any year of operation which shall have ended at the time this section 2 (d) shall become effective, shall be made, without interest, from revenues received in the Colorado River Dam Fund as expeditiously as administration of this Act will permit, and without readvances from the general funds of the Treasury. Receipts of the Colorado River Development Fund for the years of operation ending in 1938, 1939, and 1940 (or in the event of reduced receipts during any of said years, due to adjustments under section 3 hereof, then the first receipts of said fund up to $1,500,000), are authorized to be appropriated only for the continuation and extension, under the direction of the Secretary, of studies and investigations by the Bureau of Reclamation for the formulation of a comprehensive plan for the utilization of waters of the Colorado River system for irrigation, electrical power, and other purposes, in the States of the

upper division and the States of the lower division, including studies of quantity and quality of water and all other relevant factors. The next such receipts up to and including the receipts for the year of operation ending in 1955 are authorized to be appropriated only for the investigation and construction of projects for such utilization in and equitably distributed among the four States of the upper division. Such receipts for the years of operation ending in 1956 to 1987, inclusive, are authorized to be appropriated for the investigation and construction of projects for such utilization in and equitably distributed among the States of the upper division and the States of the lower division. The terms "Colorado River system", "States of the upper division", and "States of the lower division" as so used shall have the respective meanings defined in the Colorado River compact mentioned in the Project Act. Such projects shall be only such as are found by the Secretary to be physically feasible, economically justified, and consistent with such formulation of a comprehensive plan. Nothing in this Act shall be construed so as to prevent the authorization and construction of any such projects prior to the completion of said plan of comprehensive development; nor shall this Act be construed as affecting the right of any State to proceed independently of this Act or its provisions with the investigation or construction of any project or projects. Transfers under this section 2 (d) shall be deemed contractual obligations of the United States, subject to the provisions of section 3 of this Act.

SEC. 3. **[If revenues insufficient, payments to Arizona and Nevada and transfer to Colorado River Development Fund to be proportionately reduced.]**—If, by reason of any act of God, or of the public enemy, or any major catastrophe, or any other unforeseen and unavoidable cause, the revenues, for any year of operation, after making provision for costs of operation, maintenance, and the amount to be set aside for said year for replacements, should be insufficient to make the payments to the States of Arizona and Nevada and the transfers to the Colorado River Development Fund herein provided for, such payments and transfers shall be proportionately reduced, as the Secretary may find to be necessary by reason thereof.

SEC. 4. (a) **[Charges to be applicable as from June 1, 1937, and adjustments made with contractors by means of credits.]**—Upon the taking effect of this Act, pursuant to section 10 hereof, the charges, or the basis of computation thereof, promulgated hereunder, shall be applicable as from June 1, 1937, and adjustments of accounts by reason thereof, including charges by and against the United States, shall be made so that the United States and all parties that have contracted for energy, or for the privilege of generating energy, at the project, shall be placed in the same position, as nearly as may be, as determined by the Secretary, that they would have occupied had such charges, or the basis of computation thereof, and the method of operation which may be provided

for under section 9 hereof, been effective on June 1, 1937: *Provided,* That such adjustments with contractors shall not be made in cash, but shall be made by means of credits extended over such period as the Secretary may determine.

(b) **[If payments to Arizona and Nevada reduced by taxes, adjustments by credits to be made with each allottee for taxes paid by them.]**—In the event payments to the States of Arizona and Nevada, or either of them, under section 2 (c) hereof, shall be reduced by reason of the collection of taxes mentioned in said section, adjustments shall be made from time to time, with each allottee which shall have paid any such taxes, by credits or otherwise, for that proportion of the amount of such reductions which the amount of the payments of such taxes by such allottee bears to the total amount of such taxes collected.

SEC. 5. **[Readvances to be made by Treasury if Colorado Dam fund insufficient to meet cost of replacements.]**—If at any time there shall be insufficient sums in the Colorado River Dam Fund to meet the cost of replacements, however necessitated, in addition to meeting the other requirements of this Act, or of regulations authorized hereby and promulgated by the Secretary, the Secretary of the Treasury, upon request of the Secretary of the Interior, shall readvance to the said fund, in amounts not exceeding, in the aggregate, moneys repaid to the Treasury pursuant to Section 2 (b) hereof, the amount required for replacements, however necessitated, in excess of the amount currently available therefor in said Colorado River Dam Fund. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums, not exceeding said aggregate amount, as may be necessary to permit the Secretary of the Treasury to make such readvances. All such readvances shall bear interest.

SEC. 6. **[Interest to be computed at 3 per centum.]**—Whenever by the terms of the Project Act or this Act payment of interest is provided for, and whenever interest shall enter into any computation thereunder, such interest shall be computed at the rate of 3 per centum per annum, compounded annually.

SEC. 7. **[First $25,000,000 advance to be made to flood control without interest—to be repayable 1987 as Congress determines.]**—The first $25,000,000 of advances made to the Colorado River Dam Fund for the project shall be deemed to be the sum allocated to flood control by section 2 (b) of the Project Act and repayment thereof shall be deferred without interest until June 1, 1987, after which time such advances so allocated to flood control shall be repayable to the Treasury as the Congress shall determine.

SEC. 8. **[Secretary authorized to promulgate regulations and enter into contracts—no allotments heretofore promulgated to be modified or changed without consent of allottee.]**—The Secretary is hereby authorized

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from time to time to promulgate such regulations and enter into such contracts as he may find necessary or appropriate for carrying out the purposes of this Act and the Project Act, as modified hereby, and, by mutual consent, to terminate or modify any such contract: *Provided, however,* That no allotment of energy to any allottee made by any rule or regulation heretofore promulgated shall be modified or changed without the consent of such allottee.

SEC. 9. **[Secretary authorized to negotiate for termination of existing lease of Boulder Power Plant—If lease terminated, operation and maintenance and replacements authorized—Secretary to agree that (a) lessees be designated agents for operation of power plant, (b) agency contract not revocable, and (c) suits or proceedings to restrain termination may be maintained against Secretary.]**—The Secretary is hereby authorized to negotiate for and enter into a contract for the termination of the existing lease of the Boulder Power Plant made pursuant to the Project Act, and in the event of such termination the operation and maintenance, and the making of replacements, however necessitated, of the Boulder Power Plant by the United States, directly or through such agent or agents as the Secretary may designate, is hereby authorized. The powers, duties, and rights of such agent or agents shall be provided by contract, which may include provision that questions relating to the interpretation or performance thereof may be determined, to the extent provided therein, by arbitration or court proceedings. The Secretary in consideration of such termination of such existing lease is authorized to agree (a) that the lessees therein named shall be designated as the agents of the United States for the operation of said power plant; (b) that (except by mutual consent or in accordance with such provisions for termination for default as may be specified therein) such agency contract shall not be revocable or terminable; and (c) that suits or proceedings to restrain the termination of any such agency contract, otherwise than as therein provided, or for other appropriate equitable relief or remedies, may be maintained against the Secretary. Suits or other court proceedings pursuant to the foregoing provisions may be maintained in, and jurisdiction to hear and determine such suits or proceedings and to grant such relief or remedies is hereby conferred upon, the District Court of the United States for the District of Columbia, with the like right of appeal or review as in other like suits or proceedings in said court. The Secretary is hereby authorized to act for the United States in such arbitration proceedings.

SEC. 10. **[Act to be effective when Secretary finds existing lease power plant terminated and allottees have entered into contracts consenting to operation—if contracts not entered into prior to June 1, 1941, act shall be of no further effect.]**—This Act shall be effective immediately for the purpose of the promulgation of charges, or the basis of computation thereof, and the execution of contracts authorized by the terms of this Act, but neither such

charges, nor the basis of computation thereof, nor any such contract, shall be effective unless and until this Act shall be effective for all purposes. This Act shall take effect for all purposes when, but not before, the Secretary shall have found that provision has been made for the termination of the existing lease of the Boulder Power Plant and for the operation thereof as authorized by section 9 hereof, and that allottees obligated under contracts in force on the date of enactment of this Act to pay for at least 90 per centum of the firm energy shall have entered into contracts (1) consenting to such operation, and (2) containing such other provisions as the Secretary may deem necessary or proper for carrying out the purposes of this Act. For purposes of this section such 90 per centum shall be computed as of the end of the absorption periods provided for in regulations heretofore promulgated by the Secretary and in effect at the time of the enactment of this Act.

If contracts in accordance with the requirements of this section shall not have been entered into prior to June 1, 1941, this Act shall cease to be operative and shall be of no further force or effect.

SEC. 11. [Any contractor refusing to modify its existing contract to conform to this act, shall continue under its existing contract.]—Any contractor for energy from the project failing or refusing to execute a contract modifying its existing contract to conform to this Act shall continue to pay the rates and charges provided for in its existing contract, subject to such periodic readjustments as are therein provided, in all respects as if this Act had not been passed, and so far as necessary to support such existing contract all of the provisions of the Project Act shall remain in effect, anything in this Act inconsistent therewith notwithstanding.

SEC. 12. [Definitions of terminology employed.]—The following terms wherever used in this Act shall have the following respective meanings:

"Project Act" shall mean the Boulder Canyon Project Act;

"Project" shall mean the works authorized by the Project Act to be constructed and owned by the United States, exclusive of the main canal and appurtenances mentioned therein, now known as the All-American Canal;

"Secretary" shall mean the Secretary of the Interior of the United States;

"Firm energy" and "allottees" shall have the meaning assigned to such terms in regulations heretofore promulgated by the Secretary and in effect at the time of the enactment of this Act;

"Replacements" shall mean such replacements as may be necessary to keep the project in good operating condition during the period from June 1, 1937, to May 31, 1987, inclusive, but shall not include (except where used in conjunction with the word "emergency" or the words "however necessitated") replacements made necessary by any act of God, or of the public enemy, or by any major catastrophe; and

"Year of operation" shall mean the period from and including June 1 of any calendar year to and including May 31 of the following calendar year.

SEC. 13. **[Secretary to submit to Congress each January financial statement and complete report of operations.]**—The Secretary of the Interior shall, in January of each year, submit to the Congress a financial statement and a complete report of operations under this Act during the preceding year of operations as herein defined.

SEC. 14. **[Act shall not in anywise limit or prejudice any right of any State in or to waters of the Colorado River system under the Colorado River compact.]**—Nothing herein shall be construed as interfering with such rights as the States now have either to the waters within their borders or to adopt such policies and enact such laws as they may deem necessary with respect to the appropriation, control, and use of waters within their borders, except as modified by the Colorado River compact or other interstate agreement. Neither the promulgation of charges, or the basis of charges, nor anything contained in this Act, or done thereunder, shall in anywise affect, limit, or prejudice any right of any State in or to the waters of the Colorado River system under the Colorado River compact. Sections 13 (b), 13 (c), and 13 (d) of the Project Act and all other provisions of said Project Act not inconsistent with the terms of this Act shall remain in full force and effect.

SEC. 15. **[Laborers and mechanics shall be paid not less than prevailing rate of wages.]**—All laborers and mechanics employed in the construction of any part of the project, or in the operation, maintenance, or replacement of any part of the Boulder Dam, shall be paid not less than the prevailing rate of wages or compensation for work of a similar nature prevailing in the locality of the project. In the event any dispute arises as to what are the prevailing rates, the determination thereof shall be made by the Secretary of the Interior, and his decision, subject to the concurrence of the Secretary of Labor, shall be final.

SEC. 16. **[Short title of act.]**—This Act may be cited as "Boulder Canyon Project Adjustment Act".

[ITEM 8]

BOULDER CANYON PROJECT

AN ACT

RELATING TO THE CONSTRUCTION AND DISPOSITION OF THE SAN JACINTO–SAN VICENTE AQUEDUCT

APPROVED APRIL 15, 1948 (PUBLIC LAW 482—80TH CONGRESS, CHAPTER 186—2D SESSION, S. 1306)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby (1) ratifies the action taken by various departments and agencies in the executive branch of the Government in planning for and proceeding with the construction of an aqueduct running from a connection with the Colorado River aqueduct of the Metropolitan Water District of Southern California near the west portal of San Jacinto tunnel in Riverside County, California, to San Vicente Reservoir in San Diego County, California; (2) authorizes the completion of such aqueduct in accordance with existing Government plans for the completion thereof; and (3) ratifies the action of the Navy Department in disposing of the aqueduct to the city of San Diego, California, pursuant to contract NOy–13300 which provides, among other things, for the leasing of such aqueduct to such city.

Approved April 15, 1948.

[ITEM 9]

BOULDER CANYON PROJECT

CITATIONS

STATUTES AUTHORIZING AND RATIFYING THE COLORADO RIVER COMPACT

AUTHORIZED

ARIZONA: Act of March 5, 1921; Arizona Session Laws 1921, chapter 46, page 53.

CALIFORNIA: Act of May 12, 1921; Statutes of California, 1921, chapter 88, pages 85, 86. See also Laws of 1925, chapter 33.

COLORADO: Act of April 2, 1921; Laws of Colorado, 1921, chapter 246, pages 811-815.

NEVADA: Act of March 21, 1921; Laws of Nevada, 1920-21, chapter 115, pages 190, 191.

NEW MEXICO: Act of March 11, 1921; Laws of New Mexico, 1921, chapter 121, pages 217-220.

UTAH: Act of March 14, 1921; Laws of Utah, 1919-1921, chapter 68, page 184.

WYOMING: Act of February 22, 1921; Laws of Wyoming, 1921; chapter 120, pages 166, 167.

UNITED STATES: Act of August 19, 1921 (42 Stat. 171).

RATIFIED

ARIZONA: Act of March 25, 1943; Arizona Session Laws 1943, chapter 94, page 226.

CALIFORNIA: Act of January 10, 1929; Statutes of California, 1929; chapter 1, as supplemented March 4, 1929, chapter 15, 16. See Statutes of 1925, chapter 33.

COLORADO: Act of February 26, 1925; Session Laws of 1925, chapter 177.

NEVADA: Act of March 18, 1925; Statutes of 1925, chapter 96.
NEW MEXICO: Act of March 17, 1925; Laws of 1925, chapter 78.
UTAH: Laws of Utah, 1923, chapter 5; act of February 26, 1927; act of March 6, 1929, Laws of 1929, chapter 31.
WYOMING: Act of February 25, 1925; Session Laws of 1925, chapter 82.
UNITED STATES: Act of December 21, 1928. (45 Stat. 1057-1066), ratifies compact and authorizes various other agreements between States.

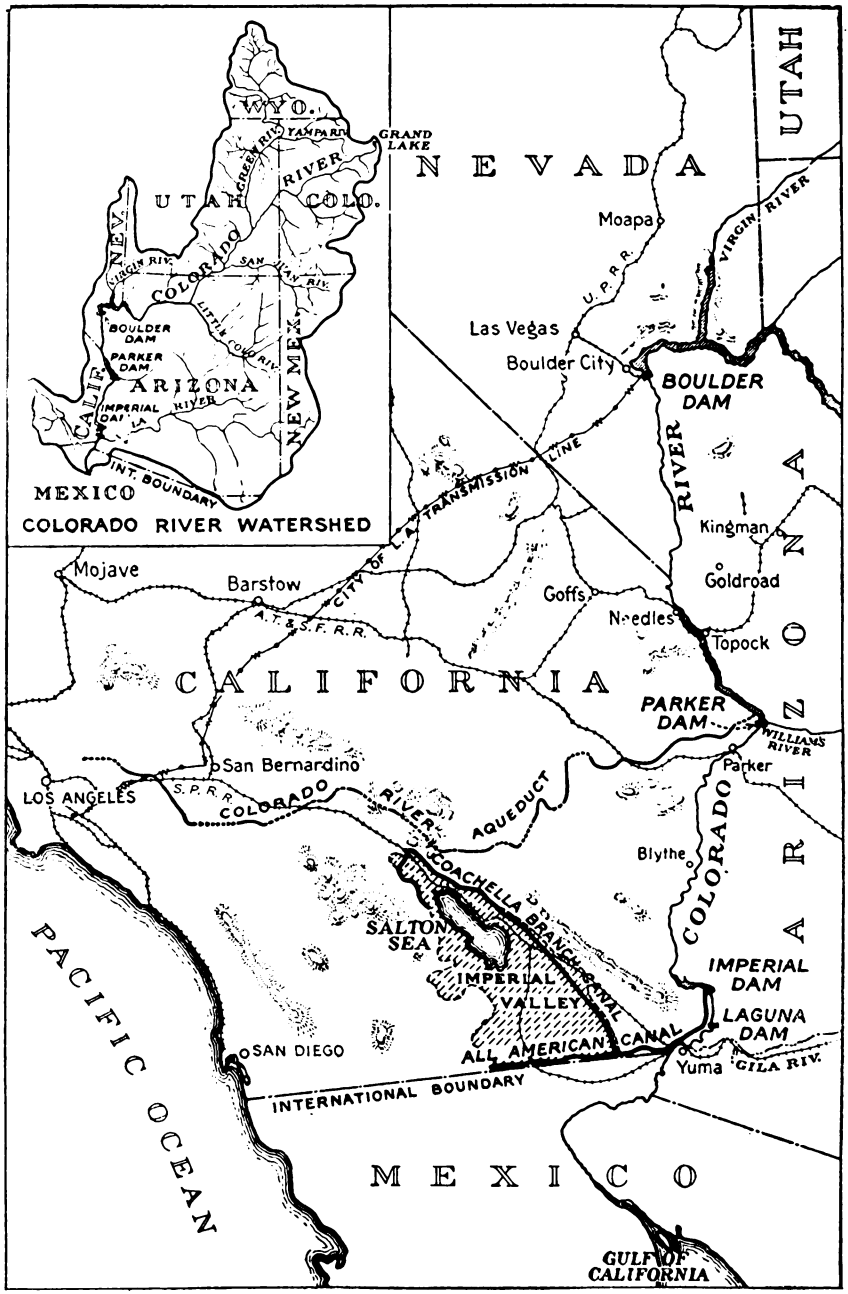
[ITEM 10]

BOULDER CANYON PROJECT

APPROPRIATION ACTS

JULY 3, 1930 TO JUNE 29, 1948

July 3, 1930 (46 Stat. 877)	$10,660,000
February 14, 1931 (46 Stat. 1146)	15,000,000
April 22, 1932 (47 Stat. 118)	6,000,000
July 1, 1932 (47 Stat. 535)	7,000,000
July 21, 1932 (47 Stat. 717) (Emergency Relief and Construction Act, R.F.C.)	10,000,000
February 17, 1933 (47 Stat. 845)	8,000,000
Allotment from N.I.R.A.	37,996,586
August 12, 1935 (49 Stat. 597)	14,000,000
Transfer Appropriation to Emergency Relief Appropriation, warrant dated April 8, 1936 (Rescission)	—5,000,000
June 22, 1936 (49 Stat. 1784-5)	9,600,000
Transfer Appropriation to Emergency Relief Appropriation, warrant dated December 29, 1936 (Rescission)	—2,000,000
August 9, 1937 (50 Stat. 596)	2,550,000
May 9, 1938 (52 Stat. 323)	3,500,000
May 10, 1939 (53 Stat. 718)	4,000,000
April 6, 1940 (54 Stat. 87)	1,000,000
June 18, 1940 (54 Stat. 436)	4,000,000
April 1, 1941 (55 Stat. 68)	1,000,000
June 28, 1941 (55 Stat. 335)	5,000,000
October 28, 1941 (55 Stat. 752)	1,750,000
December 17, 1941 (55 Stat. 826)	150,000
July 2, 1942 (56 Stat. 535)	4,999,750
July 12, 1943 (57 Stat. 472)	775,000
July 1, 1946 (60 Stat. 363)	433,605
July 25, 1947 (61 Stat. 460)	435,000
June 25, 1948 (62 Stat. 1027)	600,000
June 29, 1948 (62 Stat. 1112)	1,700,000



BOULDER CANYON PROJECT—LOCATION MAP.

The name Boulder Dam was officially changed to Hoover Dam April 30, 1947

SUBDIVISION II

WATER CONTRACTS

A. CONTRACTS

[ITEM 11]

BOULDER CANYON PROJECT

CONTRACT FOR DELIVERY OF WATER

THE UNITED STATES

AND

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

APRIL 24, 1930

(11r–645)

(1) THIS CONTRACT, made this 24th day of April, nineteen hundred thirty, pursuant to the Act of Congress approved June 17, 1902, (32 Stat., 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the reclamation law, and particularly pursuant

to the Act of Congress approved December 21, 1928, (45 Stat., 1057), designated the Boulder Canyon Project Act, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by Ray Lyman Wilbur, Secretary of the Interior, hereinafter styled the Secretary, and THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, a public corporation, hereinafter styled the District, organized and existing under the laws of the State of California;

WITNESSETH:

EXPLANATORY RECITALS

(2) WHEREAS, for the purpose of controlling the floods improving navigation and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters for reclamation of public lands and other beneficial uses exclusively within the United States, the Secretary, subject to the terms of the Colorado River Compact, is authorized to construct, operate and maintain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon, adequate to create a storage reservoir of a capacity of not less than twenty million acre-feet of water; and

(3) WHEREAS, after full consideration of the advantages of both the Black Canyon and Boulder Canyon dam sites, the Secretary has determined upon Black Canyon as the site of the aforesaid dam, hereinafter styled the Boulder Canyon Dam, creating thereby a reservoir to be hereinafter styled the Boulder Canyon Reservoir and has determined that the revenues provided for by this contract, together with other contracts in accordance with the provisions of the Boulder Canyon Project Act, are adequate in his judgment to insure payment of all expenses of operation and maintenance of the Boulder Canyon Dam and appurtenant works incurred by the United States, and the repayment within fifty (50) years from the date of completion of said works of all amounts advanced to the Colorado River Dam Fund under Subdivision (b) of Section 2 of the Boulder Canyon Project Act, together with interest thereon made reimbursable under said Act; and

(4) WHEREAS, the District is desirous of entering into a contract for the delivery to it of water from Boulder Canyon Reservoir:

(5) NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to wit:

DELIVERY OF WATER BY UNITED STATES

(6) The United States shall deliver to the District each year from the Boulder Canyon Reservoir at a point in the Colorado River immediately below Boulder Canyon Dam, or as provided in Article 10 hereof, up to but not to exceed one million fifty thousand (1,050,000) acre feet of water, which shall be delivered continuously as far as reasonable diligence will permit; provided,

that such amount is without prejudice to any additional rights which the District may have or acquire in or to the waters of the Colorado River, or to the power of the parties to contract hereafter with reference thereto. The United States shall not be obligated to deliver water to the District when for any reason such delivery would interfere with the use of Boulder Canyon dam, and reservoir for river regulation, improvement of navigation, flood control, and/or satisfaction of present perfected rights, in or to the waters of the Colorado River, or its tributaries, in pursuance of Article VIII of the Colorado River Compact, and this contract is made upon the express condition and with the express covenant that the right of the District to waters of the Colorado River, or its tributaries, is subject to and controlled by the Colorado River Compact. The United States reserves the right to discontinue or temporarily reduce the amount of water to be delivered for the purpose of investigation, inspection, maintenance, repairs, replacement or installation of equipment and/or machinery at Boulder Canyon Dam, but so far as feasible the United States will give the District reasonable notice in advance of such temporary discontinuance or reduction. The United States, its officers, agents and employees shall not be liable for damages when, for any reason whatsoever, suspensions or reductions in delivery of water occur. This contract is for permanent service, but is made subject to the express covenant and condition that in the event water for the District is not taken or diverted by the District hereunder for District purposes within a period of ten (10) years from and after completion of Boulder Canyon Dam as announced by the Secretary, it may in such event, upon the written order of the Secretary, and after hearing become null and void and of no effect.

RECEIPT OF WATER BY DISTRICT

(7) The District shall receive the water to be delivered to it by the United States under the terms hereof at the point of delivery above stated and shall at its own expense convey such water to its proposed aqueduct, and shall perform all acts required by law or custom in order to maintain its control over such water and to secure and maintain its lawful and proper diversion from the Colorado River.

MEASUREMENT OF WATER

(8) The water to be delivered hereunder shall be measured at the intake of the District's proposed aqueduct by such measuring and controlling devices or such automatic gauges or both, as shall be satisfactory to the Secretary. Said measuring and controlling devices, or automatic gauges, shall be furnished, installed and maintained by and at the expense of the District, but they shall be and remain at all times under the complete control of the United States, whose authorized representatives may at all times have access to them over the lands and rights-of-way of the District.

RECORD OF WATER DIVERTED

(9) The District shall make full and complete written monthly reports as directed by the Secretary, on forms to be supplied by the United States, of all water diverted from the Colorado River. Such reports shall be made by the fifth day of the month immediately succeeding the month in which the water is diverted, and the records and data from which such reports are made shall be accessible to the United States on demand of the Secretary.

CHARGE FOR DELIVERY OF WATER

(10) A charge of twenty-five cents ($0.25) per acre-foot shall be made for water delivered to the District hereunder during the Boulder Dam cost repayment period. It is understood by the District that it may divert water above Boulder Canyon Dam, but that such diversion of water above the dam will reduce the amount of power otherwise available at said dam, and may reduce the amount which would have been utilized, except at times when the reservoir is spilling, and an additional charge, determined as stated below, will be made on account of any such reduction in energy which would otherwise have been utilized in case water is diverted above the dam. The energy which could have been generated by the water diverted above the dam and which would have been utilized, at times when the reservoir is not spilling will be calculated from the effective head, the quantity of water diverted and the overall efficiency of the power plant, as determined by the Secretary, whose determination shall be conclusive and binding upon the parties hereto. The additional charge per month for diversion above the dam will be the product of such amount of energy and the rate per kilowatt hour for firm energy at Boulder Canyon Dam in effect at the time of such diversion. Nevertheless if such diversion during any year (June 1st to May 31st, inclusive) has not reduced the amount of firm energy during such year, for which the United States has contracted, the diversion, to the extent that no reduction in firm energy has been occasioned, shall be computed at the rate for secondary energy then in force and credit given on the ensuing year's power bills of the District for the difference between the amount charged therefor and the amount so determined. The Secretary's determination of such credit shall be conclusive. The reservoir shall be considered as spilling whenever water is being discharged in excess of the amount used for the generation of power, whether such waste occurs over the spillway or otherwise. Energy equivalent to water delivered above the dam, determined as above, for which the firm energy rate is charged, shall be included in the total firm energy available at the dam, defined as four billion, three hundred thirty million (4,330,000,000) kilowatt hours per year (June 1st to May 31st, inclusive), upon completion of the dam, as announced by the Secretary, and decreasing uniformly thereafter by eight million seven hundred sixty thousand (8,760,000)

kilowatt hours per year, and also included in the District's allotment of firm energy. Nevertheless if it be determined by the Secretary that the rate of decrease above stated is not in accord with actual conditions, the Secretary reserves the right to fix a lesser rate for any year (June 1st to May 31st, inclusive), in advance.

MONTHLY PAYMENTS AND PENALTIES

(11) The District shall pay monthly for all water delivered to it hereunder, or diverted by it from the Colorado River, in accordance with the rate herein in Article ten (10) established. Payments shall be due on the first of the second month immediately succeeding the month in which water is delivered and/or diverted. If such charges are not paid when due, a penalty of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional penalty of one per centum (1%) of the amount unpaid shall be added on the first day of each calendar month during such delinquency.

REFUSAL OF WATER IN CASE OF DEFAULT

(12) The United States reserves the right to refuse to deliver water to the District in the event of default for a period of more than twelve (12) months in any payment due or to become due the United States under this contract.

INSPECTION BY THE UNITED STATES

(13) The Secretary or his representatives, shall at all times have the right of ingress to and egress from all works of the District for the purposes of inspection, repairs and maintenance of works of the United States, and for all other proper purposes. The Secretary or his representatives shall also have free access at all reasonable times to the books and records of the District relating to the diversion and distribution of water delivered to it hereunder with the right at any time during office hours to make copies of or from the same.

DISPUTES OR DISAGREEMENTS

(14) Disputes or disagreements as to the interpretation or performance of the provisions of this contract shall be determined either by arbitration or court proceedings, the Secretary of the Interior being authorized to act for the United States in such proceedings. Whenever a controversy arises out of this contract, and the parties hereto agree to submit the matter to arbitration the District shall name one arbitrator and the Secretary shall name one arbitrator, and the two arbitrators thus chosen shall elect three other arbitrators, but in the event of their failure to name all or any of the three arbitrators within five (5) days after their first meeting, such arbitrators, not so elected, shall be named by the Senior Judge of the United States Circuit Court of Appeals for the

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Ninth Circuit. The decision of any three of such arbitrators shall be a valid and binding award of the arbitrators.

RULES AND REGULATIONS

(15) There is reserved to the Secretary the right to prescribe and enforce rules and regulations governing the delivery and diversion of water hereunder. Such rules and regulations may be modified, revised and/or extended from time to time after notice to the District and opportunity for it to be heard, as may be deemed proper, necessary, or desirable by the Secretary to carry out the true intent and meaning of the law and of this contract, or amendments hereof, or to protect the interests of the United States. The District hereby agrees that in the operation and maintenance of its diversion works and aqueduct, all such rules and regulations will be fully adhered to.

AGREEMENT SUBJECT TO COLORADO RIVER COMPACT

(16) This contract is made upon the express condition and with the express understanding that all rights hereunder shall be subject to and controlled by the Colorado River Compact, being the compact or agreement signed at Santa Fe, New Mexico, November 24, 1922, pursuant to Act of Congress approved August 19, 1921, entitled "An Act to permit a compact or agreement between the States of Arizona, California, Colorado, Nevada, New Mexico, Utah and Wyoming respecting the disposition and apportionment of the waters of the Colorado River, and for other purposes", which Compact was approved in Section 13 (a) of the Boulder Canyon Project Act.

PRIORITY OF CLAIMS OF THE UNITED STATES

(17) Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured.

CONTINGENT UPON APPROPRIATIONS

(18) This contract is subject to appropriations being made by Congress from year to year of moneys sufficient to do the work provided for herein, and to there being sufficient moneys available in the Colorado River Dam Fund to permit allotments to be made for the performance of such work. No liability shall accrue against the United States, its officers, agents, or employees, by reason of sufficient moneys not being so appropriated nor on account of there not being sufficient moneys in the Colorado River Dam Fund to permit of said allotments. This agreement is also subject to the condition that if Congress fails to appropriate moneys for the commencement of construction work within five (5) years from and after execution hereof, or if for any other reason con-

struction of Boulder Canyon Dam is not commenced within said time and thereafter prosecuted to completion with reasonable diligence, then and in such event either party hereto may terminate its obligations hereunder upon one (1) year's written notice to the other party hereto.

RIGHTS RESERVED UNDER SECTION 3737 REVISED STATUTES

(19) All rights of action for breach of any of the provisions of this contract are reserved to the United States as provided in Section 3737 of the Revised Statutes of the United States.

REMEDIES UNDER CONTRACT NOT EXCLUSIVE

(20) Nothing contained in this contract shall be construed as in any manner abridging, limiting or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have.

INTEREST IN CONTRACT NOT TRANSFERABLE

(21) No interest in this agreement is transferable, and no sublease shall be made, by the District without the written consent of the Secretary, and any such attempted transfer or sublease shall cause this contract to become subject to annulment, at the option of the United States.

MEMBER OF CONGRESS CLAUSE

(22) No Member of or Delegate to Congress or Resident Commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom. Nothing, however, herein contained shall be construed to extend to this contract if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written. (Executed in quadruplicate original.)

THE UNITED STATES OF AMERICA,
By RAY LYMAN WILBUR,
Secretary of the Interior.

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA,
By W. P. WHITSETT,
Chairman of the Board of Directors.

Approved as to form:
W. B. MATHEWS, *General Counsel.*

Attest:
S. H. FINLEY,
Secretary of the Board of Directors.

[CORPORATE SEAL]

I, S. H. FINLEY, Secretary of the Board of Directors of THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, a public corporation organized under the provisions of Chapter 429, Statutes of California, 1927, and now existing under the provisions of said Chapter 429, as amended by Chapter 796, Statutes of California, 1929, do hereby certify that at a duly called meeting of the Board of Directors of said District, at which a quorum of said directors was present, held at Los Angeles, California, on the 22nd day of April, 1930, a resolution was adopted, of which the following is a full, true and correct copy:

RESOLUTION No. 32

WHEREAS, the Secretary of the Interior of the United States of America has allocated to The Metropolitan Water District of Southern California certain water from the storage reservoir, to be known as Boulder Canyon Reservoir, and resulting from the construction by said United States of the Boulder Canyon Dam, under and pursuant to the provisions of the Boulder Canyon Project Act; and

WHEREAS, only the said United States can deliver such water to said District; and

WHEREAS, it is necessary that said District contract with said United States for the delivery of such water, under and pursuant to the provisions of the aforesaid Boulder Canyon Project Act; and

WHEREAS, draft of such proposed contract has been presented by the said Secretary of the Interior of the Board of Directors of said District at its meeting held this 22nd day of April, 1930, which said draft of proposed contract, as corrected and changed by mutual agreement, has been approved by said Board of Directors and ordered filed;

NOW, THEREFORE, BE IT RESOLVED, that The Metropolitan Water District of Southern California shall enter into a contract with the United States of America, acting by and through the Secretary of the Interior, for the delivery to said District of water from said Boulder Canyon Reservoir, resulting from the construction by said United States of said Boulder Canyon Dam, the said contract so to be entered into by said District to conform in substance to the aforesaid draft presented by the Secretary of the Interior to the Board of Directors of said District, as so corrected and changed, and, thereupon, approved and filed by order of said Board of Directors under date of April 22, 1930; provided that said contract before execution by said District shall be approved as to form by the General Counsel; and

BE IT FURTHER RESOLVED, that the Chairman of the Board of Directors be, and he hereby is, authorized and directed to sign and execute said contract on behalf of said District, and that the Secretary of the Board of Directors be, and he hereby is, authorized and directed to attest the execution of said contract and to affix the corporate seal of said District thereto.

I FURTHER CERTIFY, that on the 24th day of April, 1930, the above resolution was still in full force and effect and that on the said 24th day of April, 1930, W. P. Whitsett was Chairman of the Board of Directors, and S. H. Finley was Secretary of the Board of Directors, of said District, and that the foregoing contract to which this certificate is annexed, conforms in substance to the draft of such contract presented by the Secretary of the Interior to the Board of Directors of said District, as corrected and changed and thereupon approved and filed, under date of April 22nd, 1930, by order of said Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said District, this 24th day of April, 1930.

S. H. FINLEY,
Secretary of the Board of Directors of The Metropolitan Water District of Southern California.

[CORPORATE SEAL]

[ITEM 12]

BOULDER CANYON PROJECT

SUPPLEMENTARY CONTRACT FOR DELIVERY OF WATER

THE UNITED STATES

AND

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

SEPTEMBER 28, 1931

(11r–645)

1. THIS SUPPLEMENTARY CONTRACT, made this 28th day of September, nineteen hundred thirty-one, pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, all of which acts are comonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat. 1057), designated the Boulder Canyon Project Act, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by Ray Lyman Wilbur, Secretary of the Interior, hereinafter styled the Secretary, and THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, a public corporation, hereinafter referred to as the District, organized and existing under and by virtue of the laws of the State of California:

WITNESSETH:

EXPLANATORY RECITALS

2. WHEREAS, there was executed on the 24th day of April, 1930, a contract between the UNITED STATES and the District, entitled "Contract for Delivery of

Water," which said contract provides, among other things, for the delivery to the District each year from the Boulder Canyon Reservoir up to but not to exceed one million fifty thousand (1,050,000) acre-feet of water; and

3. WHEREAS, under date of November 5, 1930, the Secretary requested of the Chief of the Division of Water Resources of the State of California, a recommendation for the apportionment of the waters of the Colorado River available for use within the State of California, under the Colorado River Compact, the Boulder Canyon Project Act, and other applicable legislation and regulations, to the end that the same could be included as a uniform clause in each and all of the contracts under the provisions of the Boulder Canyon Project Act between the United States and applicants for water contracts in the State of California; and

4. WHEREAS, in coperation with the District and applicants for water in the State of California, the Chief of the Division of Water Resources of the State of California made and filed his recommendations in this regard with the Secretary on August 22, 1931, and it is the desire of the parties hereto that the aforesaid contract of date April 24, 1930, be amended in certain particulars so as to conform to the recommendations of said Division of Water Resources insofar as they are set out in Article six (6) hereof;

5. NOW, THEREFORE, in consideration of the mutual covenants contained herein and in the said contract of date April 24, 1930, the parties hereto agree as follows, to wit:

DELIVERY OF WATER BY THE UNITED STATES

6. That Article six (6) of the said contract of April 24, 1930, be and the same is hereby amended so as to read as follows:

DELIVERY OF WATER BY THE UNITED STATES

(6) The United States shall, from storage available in the reservoir created by Hoover Dam, deliver to the District each year at a point in the Colorado River immediately above the District's point of diversion (at or in the vicinity of the proposed Parker Dam), so much water as may be necessary to supply the District's total quantity, including all other waters diverted by the District from the Colorado River, in the amount and with priorities in accordance with the recommendation of the Chief of the Division of Water Resources of the State of California, as follows (subject to the availability thereof for use in California under the Colorado River Compact and the Boulder Canyon Project Act):

The water of the Colorado River available for use within the State of California under the Colorado River Compact and the Boulder Canyon Project Act shall be apportioned to the respective interests below named and in amounts and with priorities therein named and set forth, as follows:

SECTION 1. A first priority to Palo Verde Irrigation District for beneficial use exclusively upon lands in said District as it now exists and upon lands between said District and the Colorado River, aggregating (within and without said District) a gross area of 104,500 acres, such waters as may be required by said lands.

SECTION 2. A second priority to Yuma Project of United States Bureau of Reclamation for beneficial use upon not exceeding a gross area of 25,000 acres of land located in said project in California, such waters as may be required by said lands.

SECTION 3. A third priority (a) to Imperial Irrigation District and other lands under or that will be served from the All American Canal in Imperial and Coachella Valleys, and (b) to Palo Verde Irrigation District for use exclusively on 16,000 acres in that area known as the "Lower Palo Verde Mesa", adjacent to Palo Verde Irrigation District, for beneficial consumption use, 3,850,000 acre feet of water per annum less the beneficial consumptive use under the priorities designated in Sections 1 and 2 above. The rights designated (a) and (b) in this section are equal in priority. The total beneficial consumptive use under priorities stated in Sections 1, 2 and 3 of this article shall not exceed 3,850,000 acre feet of water per annum.

SECTION 4. A fourth priority to The Metropolitan Water District of Southern California and/or the City of Los Angeles, for beneficial consumptive use, by themselves and/or others, on the Coastal Plain of Southern California, 550,000 acre feet feet of water per annum.

SECTION 5. A fifth priority, (a) to The Metropolitan Water District of Southern California and/or the City of Los Angeles, for beneficial consumptive use, by themselves and/or others, on the Coastal Plain of Southern California, 550,000 acre feet of water per annum and (b) to the City of San Diego and/or County of San Diego, for beneficial consumptive use, 112,000 acre feet of water per annum. The rights designated (a) and (b) in this section are equal in priority.

SECTION 6. A sixth priority (a) to Imperial Irrigation District and other lands under or that will be served from the All American Canal in Imperial and Coachella Valleys, and (b) to Palo Verde Irrigation District for use exclusively on 16,000 acres in that area known as the "Lower Palo Verde Mesa", adjacent to Palo Verde Irrigation District, for beneficial consumptive use, 300,000 acre feet of water per annum. The rights designated (a) and (b) in this section are equal in priority.

SECTION 7. A seventh priority of all remaining water available for use within California, for agricultural use in the Colorado River Basin in California, as said basin is designated on Map No. 23000 of the Department of the Interior, Bureau of Reclamation.

SECTION 8. So far as the rights of the allottees named above are concerned, The Metropolitan Water District of Southern California and/or the City of Los Angeles shall have the exclusive right to withdraw and divert into its aqueduct any water in Boulder Canyon Reservoir accumulated to the individual credit of said District and/or said City (not exceeding at any one time 4,750,000 acre feet in the aggregate) by reason of reduced diversions by said District and/or said City; provided, that accumulations shall be subject to such conditions as to accumulation, retention, release and withdrawal as the Secretary of the Interior may from time to time prescribe in his discretion, and his determination thereof shall be final; provided further, that the United States of America reserves the right to make similar arrangements with users in other states without distinction in priority, and to determine the correlative relations between said District and/or said City and such users resulting therefrom.

SECTION 9. In addition, so far as the rights of the allottees named above are concerned, the City of San Diego and/or County of San Diego shall have the exclusive right to withdraw and divert into an aqueduct any water in Boulder Canyon Reservoir accumulated to the individual credit of said City and/or said County (not exceeding at any one time 250,000 acre-feet in the aggregate) by reason of reduced diversions by said City and/or said County; provided, that accumulations shall be subject to such conditions as to accumulation, retention, release and withdrawal as the Secre-

tary of the Interior may from time to time prescribe in his discretion, and his determination thereof shall be final; provided further, that the United States of America reserves the right to make similar arrangements with users in other states without distinction in priority, and to determine the correlative relations between the said City and/or said County and such users resulting therefrom.

SECTION 10. In no event shall the amounts allotted in this agreement to The Metropolitan Water District of Southern California and/or the City of Los Angeles be increased on account of inclusion of a supply for both said District and said City, and either or both may use said apportionments as may be agreed by and between said District and said City.

SECTION 11. In no event shall the amounts allotted in this agreement to the City of San Diego and/or to the County of San Diego be increased on account of inclusion of a supply for both said City and said County, and either or both may use said apportionments as may be agreed by and between said City and said County.

SECTION 12. The priorities hereinbefore set forth shall be in no wise affected by the relative dates of water contracts executed by the Secretary of the Interior with the various parties.

The Secretary reserves the right to, and the District agrees that he may, contract with any of the allottees above named in accordance with the above stated recommendation, or, in the event that such recommendation as to Palo Verde Irrigation District is superseded by an agreement between all the above allottees or by a final judicial determination, to contract with the Palo Verde Irrigation District in accordance with such agreement or determination; provided, that priorities numbered fourth and fifth shall not thereby be disturbed.

Said water shall be delivered continuously as far as reasonable diligence will permit, but the United States shall not be obligated to deliver water to the District when for any reason such delivery would interfere with the use of Hoover Dam and Boulder Canyon Reservoir for river regulation, improvement of navigation, flood control, and/or satisfaction of perfected rights, in or to the waters of the Colorado River, or its tributaries, in pursuance of Article VIII of the Colorado River Compact, and this contract is made upon the express condition and with the express covenant that the right of the District to waters of the Colorado River, or its tributaries, is subject to and controlled by the Colorado River Compact. The United States reserves the right to discontinue or temporarily reduce the amount of water to be delivered for the purpose of investigation, inspection, maintenance, repairs, replacement or installation of equipment and/or machinery at Hoover Dam, but so far as feasible the United States will give the District reasonable notice in advance of such temporary discontinuance or reduction. The United States, its officers, agents and employees shall not be liable for damages when, for any reason whatsoever, suspensions or reductions in delivery of water occur. This contract is for permanent service, but is made subject to the express covenant and condition that in the event water for the District is not taken or diverted by the District hereunder for District purposes within a period of ten (10) years from and after completion of Hoover Dam as announced by the Secretary, it may in such event, upon the written order of the Secretary, and after hearing become null and void and of no effect".

CONTRACT OF APRIL 24, 1930, EFFECTIVE EXCEPT AS MODIFIED

7. Except as expressly modified hereby the aforesaid contract of date April 24, 1930, shall remain in full force and effect.

MEMBER OF CONGRESS CLAUSE

8. No Member of or Delegate to Congress or Resident Commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom. Nothing, however, herein contained shall be construed to extend to this contract if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this suplementary contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By RAY LYMAN WILBUR,
Secretary of the Interior.

[SEAL]

Attest:
NORTHCUTT ELY

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA,
By W. P. WHITSETT,
Chairman of the Board of Directors.

[CORPORATE SEAL]

Attest:
S. H. FINLEY,
Secretary of the Board of Directors.

Approved as to form:
JAMES H. HOWARD,
General Counsel, The Metropolitan Water District of Southern California.

Excerpt from Minutes of Adjourned Regular Meeting of the Board of Directors of The Metropolitan Water District of Southern California, held April 4, 1932.

MOVED BY DIRECTOR THOMAS, that that certain order made on motion of Director Thomas, approving an amendment to the contract between The Metropolitan Water District of Southern California and The United States of America, dated April 24, 1930, and authorizing the execution of the amendatory contract, said motion appearing in paragraph 2136 of the Minutes of February 19, 1932, BE, AND THE SAME IS, HEREBY RESCINDED; and further, that the contract presented herewith between The United States of America and The Metropolitan Water District of Southern California providing for the amendment of that certain contract between the said parties dated April 24, 1930, BE, AND THE SAME IS, HEREBY APPROVED: and that the Chairman of the Board of Directors be authorized and directed to execute the said contract for and on behalf of the District; and that the Secretary of the Board of Directors be authorized and directed to attest the signature of the Chairman and attach to the said contract the corporate seal of the District.

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of an excerpt from the Minutes of the Adjourned Regular Meeting of the Board of Directors of The Metropolitan Water District of Southern California, held April 4, 1932, as said excerpt appears on page 506, item 2189, of Volume 2, of the Minutes of said Board of Directors.

S. H. FINLEY,
Secretary of the Board of Directors of The Metropolitan Water District of Southern California.

[CORPORATE SEAL]

[ITEM 13]

BOULDER CANYON PROJECT

CONTRACT FOR CONSTRUCTION OF DIVERSION DAM, MAIN CANAL AND APPURTENANT STRUCTURES AND FOR DELIVERY OF WATER

THE UNITED STATES

AND

IMPERIAL IRRIGATION DISTRICT

DECEMBER 1, 1932

(11r–747)

ARTICLE 1. THIS CONTRACT, made this 1st day of Dec., nineteen hundred thirty-two, pursuant to the Act of Congress approved June 17, 1902 (32 Stat., 388), and acts amendatory thereof or suplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat., 1075), designated the Boulder Canyon Project Act between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by Ray Lyman Wilbur, Secretary of the Interior, hereinafter styled the Secretary, and IMPERIAL IRRIGATION DISTRICT, an irrigation district created, organized and existing under and by virtue of the laws of the State of California, with its principal place of business at El Centro, Imperial County, California, hereinafter referred to as the District;

WITNESSETH:

EXPLANATORY RECITALS

ARTICLE 2. WHEREAS, for the purpose of controlling the floods, improving navigation and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters for reclamation of public lands and other beneficial uses exclusively within the United States, the Secretary, subject to the terms of the Colorado River Compact, is authorized to construct, operate and maintain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon, adequate to create a storage reservoir of a capacity of not less than twenty-million acre-feet of water, and a main canal and appurtenant structures located entirely within the United States connecting the Laguna Dam, or other suitable diversion dam, which the Secretary is also authorized to construct if deemed necessary or advisable by him upon engineering or economic considerations, with the Imperial and Coachella Valleys in California, the expenditures for said main canal and appurtenant structures to be reimbursable as provided in the reclamation law; and

ARTICLE 3. WHEREAS, after full consideration of the advantages of both the Black Canyon and Boulder Canyon dam sites, the Secretary has determined upon Black Canyon as the site of the aforesaid dam, hereinafter styled the Hover Dam, creating thereby a reservoir to be hereinafter styled the Boulder Canyon Reservoir; and

ARTICLE 4. WHEREAS, there are included within the boundaries of the District areas of private and public lands, and additional private and public lands will by appropriate proceedings be included within the District, and the District is desirous of entering into a contract for the construction of a suitable diversion dam and main canal and appurtenant structures, hereinafter respectively styled Imperial Dam and All-American Canal, located entirely within the United States connecting with the Imperial and Coachella Valleys, and for

the delivery to the District of stored water from Boulder Canyon Reservoir; and

ARTICLE 5. WHEREAS, the Secretary has determined, upon engineering and economic considerations, that it is advisable to provide for the construction of such diversion dam and main canal and appurtenant structures, and has determined that the revenues provided for by this contract are adequate in his judgment to insure payment of all expenses of construction, operation and maintenance of the said diversion dam, main canal and appurtenant structures in the manner provided in the reclamation law;

ARTICLE 6. NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to wit:

CONSTRUCTION BY UNITED STATES

ARTICLE 7. The United States will construct the Imperial Dam in the main stream of the Colorado River at the approximate location indicated on the map marked Exhibit "A" attached hereto and by this reference made a part hereof, and will also construct the All-American Canal and appurtenant structures to the Imperial and Coachella Valleys, the approximate location of said canal to be as shown on the aforesaid Exhibit "A". Said canal shall be constructed to a designed capacity of fifteen thousand (15,000) cubic feet of water per second from and including the diversion and desilting works at said dam to Syphon Drop; thirteen thousand (13,000) cubic feet of water per second from Syphon Drop to Pilot Knob, and ten thousand (10,000) cubic feet of water per second westerly from Pilot Knob to Engineer Station nineteen hundred and seven as said Engineer Station is indicated on said Exhibit "A". Other portions of said canal shall be constructed with such capacities as the Secretary may conclusively determine to be necessary or advisable upon engineering or economic considerations to accomplish the ends contemplated by this contract; provided, however, that changes in capacities, locations, lengths and alignments, may be made during the progress of the work as may, in the opinion of the Secretary, whose opinion shall be final and binding upon the parties hereto, be expedient, economical, necessary or advisable, except the capacities above indicated from and including the diversion and desilting works at Imperial Dam to Engineer Station nineteen hundred and seven as hereinabove in this article referred to, which capacities may be changed only by mutual agreement between the Secretary and the District. The ultimate cost to the District of the aforesaid works shall in no event exceed the aggregate sum of thirty-eight million, five hundred thousand dollars ($38,500,000). Such cost shall include all expenses of whatsoever kind heretofore or hearafter incurred by the United States from the Reclamation Fund or the Colorado River Dam Fund in connection with, growing out of, or resulting from the construction of said diversion dam, main canal and appurtenant structures, including but not

limited to the cost of labor, materials, equipment, engineering, legal work, superintendence, administration, overhead, any and all costs arising from operation and maintenance of said dam, main canal and appurtenant structures prior to the time that said costs are assumed by the District, damage of all kinds and character and rights-of-way as hereinafter provided. The District hereby agrees to repay to the United States expenditures incurred on account of any and all damages due to the existence, operation or maintenance of the diversion dam and main canal, the incurrence of which increases expenditures by the United States beyond said sum of $38,500,000. The United States will invoke all legal and valid reservations of rights-of-way under acts of Congress, or otherwise reserved or held by it, without cost to the District, except that the United States reserves the right where rights-of-way are thus acquired to reimburse the owners of such lands for the value of improvements which may be destroyed, and the District agrees that the United States may include such disbursements in the cost of the work to be performed hereunder. If rights-of-way are required over an existing project of the Bureau of Reclamation, such sum or sums as may be necessary to reimburse the United States on account of the construction charges allocated to irrigable areas absorbed in such rights-of-way shall also be considered as a part of and be included with other costs of the work to be performed hereunder. The District agrees to convey to the United States without cost, unencumbered fee simple title to any and all lands now owned by it, which, in the opinion of the Secretary may be required for right-of-way purposes for the aforesaid diversion dam, main canal and appurtenant structures. Where rights-of-way within the State of California are required for the construction of works herein provided for, and such rights-of-way are not reserved to the United States under acts of Congress, or otherwise, or the lands over which such rights-of-way are required are not then owned by the District, the District agrees that it will upon request of the Secretary, acquire title to such lands, and in turn convey unencumbered fee simple title thereto to the United States at the actual cost thereof to the District, subject to the approval of such cost by the Secretary.

ASSUMPTION OF OPERATION AND MAINTENANCE BY DISTRICT

ARTICLE 8. Upon sixty (60) days written notice from the Secretary of the completion of construction of the aforesaid diversion dam, main canal and appurtenant structures, or of any major unit thereof, useful to the District, as determined by the Secretary, whose determination thereof shall be final and binding upon the parties hereto, the District shall assume the care, operation and maintenance of said diversion dam, main canal and appurtenant structures or major units thereof, including Laguna Dam, and thereafter the District shall at its own cost and without expense to the United States care for, operate and maintain the same in such manner that such works shall remain in

as good and efficient condition and of equal capacity for the diversion, transportation and distribution of water as when received from the United States, reasonable wear and damage by the elements excepted. Operation and maintenance of Imperial Dam by the District is a part of the obligation undertaken under this contract by the District for the transportation and delivery of water to public and Indian lands of the United States, and shall not interfere with the control of such dam by the United States. The United States may, from time to time, in the discretion of the Secretary, resume operation and maintenance of said dam upon not less than 60-days' written notice and require reassumption thereof by the District on like notice. During such times, after completion, as the dam is operated and maintained by the United States, the District shall on March 1 of each year advance to the United States the estimated cost of operation and maintenance for the following twelve months, upon estimates furnished therefor on or before September 1st next preceding. After the care, operation and maintenance of the aforesaid works have been assumed by the District, the District shall save the United States, its officers, agents and employees harmless as to any and all injury and damage to persons and property which may arise out of the care, operation and maintenance thereof. In the event the United States fails to complete the works herein contemplated and the District fails to elect to make use of the works theretofore partially or wholly constructed, the District shall be fully relieved of any and all responsibility for any further operation and maintenance of the works therefore taken over by the District for that purpose and thereupon the District shall no longer be responsible for said maintenance or operation or damage to person or property which may arise therefrom.

KEEPING DIVERSION DAM, MAIN CANAL AND APPURTENANT STRUCTURES IN REPAIR

ARTICLE 9. Except in case of emergency no substantial change in any of the works to be constructed by the United States and transferred to the District under the provisions hereof shall be made by the District without first having had and obtained the written consent of the Secretary and the Secretary's opinion as to whether any change in any such works is or is not substantial shall be conclusive and binding upon the parties hereto. The District shall promptly make any and all repairs to and replacements of all works constructed hereunder or transferred to it under the terms and conditions hereof, which, in the opinion of the Secretary, are deemed necessary for the proper operation and maintenance of such works. In case of neglect or failure of the District to make such repairs, the United States may, at its option, after reasonable notice to the District, cause such repairs to be made and charge the actual cost thereof, plus fifteen per centum (15%) to cover overhead and general expense, to the District. On or before September first of each calendar year the United States shall

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give written notice to the District of the amount expended by the United States for repairs under this article during the twelve-month period immediately preceding. Such cost, plus overhead and general expense as stated above, shall be repaid by the District on March first immediately succeeding.

AGREEMENT BY DISTRICT TO PAY FOR WORKS CONSTRUCTED BY THE UNITED STATES

ARTICLE 10. (a) The District agrees to pay the United States the actual cost, not exceding thirty-eight million five hundred thousand dollars ($38,500,000), incurred by the United States on account of the aforesaid works, subject, however, to the provisions of Article seven (7) hereof; provided, that should Congress fail to make necessary appropriations to complete the work herein provided for, then the Secretary may, at such reasonable time as he may consider advisable, after Congress shall have failed for five consecutive years to make the necessary appropriations which shall have been annually requested by the Secretary, give the District notice of the termination of work by the United States and furnish a statement of the amount actually expended by the United States thereon. Upon the receipt of such notice by the District the District shall be given two years from and after such receipt of notice to elect whether it will utilize said works theretofore constructed, or some particular part thereof. Such election on the part of the District shall be expressed by resolution of the Board of Directors submitted to the electorate of the District for approval or rejection in the manner provided by law for submission of contracts with the United States. If the District elects not to utilize, or fails within said two-year period to elect to utilize said works or some portion thereof, then the District shall have no further rights therein and no obligations therefor. If the District elects to utilize said works or a portion thereof, then the reasonable value to the District of the works so utilized not exceeding the actual cost thereof to the United States shall be paid by the District under the terms of this contract; the first payment to be due and payable on the first day of March following the first day of September next succeeding the final determination of the reasonable value to the District of such works, in case no further work is done by the District. Should the District elect to complete the work contemplated by this contract, or some portion thereof, the first payment shall be due and payable on the first day of March following the first day of September next succeeding the date of final completion of the work by the District as determined by the Secretary. In determining the value of such works to the District there shall be taken into account, among other things, the method of financing required and cost of money, so that in no event shall all of the works contemplated by this contract cost the District more than they would have cost the District had they all been constructed by the United States under the terms of this contract. In the event of failure of the parties to agree as to the reasonable

value to the District of the works which the District elects to use, the same shall be determined as provided in Article twenty-seven (27) hereof.

(b) The District as a whole is obligated to pay to the United States the full amount herein agreed upon regardless of the default or failure of any tract in the District, or of any landowner in the District, in the payment of the assessments levied by the District against such tract or landowner, and the District shall, when necessary, levy and collect appropriate assessments to make up for the default or delinquency of any tract of land or of any landowner in the payment of assessments, so that in any event, and regardless of any defaults or delinquencies in the payment of any assessment or assessments, the amounts due or to become due the United States shall be paid to the United States by the District when due.

(c) The District shall be divided into units by the Board of Directors of the District. Said units shall be named, commencing with Imperial Unit, which unit shall comprise the lands of the District as of July 1, 1931. Each of the other units shall be as determined by the Board of Directors of the District and shall be described by legal description of the lands embraced therein or by dsignation of exterior boundaries or otherwise suitable for identification. Additional lands may be added to any unit herein or hereafter designated.

(d) The lands within each unit as hereinabove provided for will be benefited by the works to be constructed under this contract in the proportion that the area within such unit bears to the total area of the District and the costs of the said works, construction and otherwise, shall be apportioned to and paid by the lands within each unit in that proportion. In levying assessments or other charges to meet the cost of the said works, the Board of Directors of the District shall take into consideration payments to be made under this contract, with proper allowance for existing and anticipated delinquencies and redemptions, in order to provide sufficient funds to meet such payments as same become due and said board shall also take into account all sums expended or to be expended under the contract of October 23, 1918, for the right to connect with the Laguna Dam, the cost of all surveys and investigations and other expenditures properly chargeable as a part of the cost of the said works but which are not included as a part of the construction cost thereof reimbursable to the United States under this contract. While the cost of the said works and other expenditures above mentioned shall be apportioned to the various units according to their respective areas, it is understood that the assessments or other charges to be imposed upon the lands within each respective unit shall be on an ad valorem or other basis as now or may hereafter be provided by law for assessment or imposition of other charges upon lands within irrigation districts. Rates of assessment or schedule in the various units from year to year or from time to time may be different or unequal as between the various units. If the amount collected from the lands in any unit in any year shall be less than the amount apportioned to such unit for that year for such purpose, the deficit

shall nevertheless be charged to that unit and any fund or funds of the District from which money may be taken to make up such deficit in order to provide for the payment in full of the obligations of the District, shall be entitled to reimbursement for such money from subsequent collections of unpaid assessments or charges in said unit or from the amounts received for the redemption of lands sold for delinquent assessments or charges or from subsequent or additional levies made on the lands within that unit to provide for such reimbursement.

(e) In the event lands now or hereafter within Coachella Valley County Water District, a county water district organized and existing under the laws of the State of California, are included within Imperial Irrigation District, the said Coachella Valley County Water District shall have the privilege, at its option, if, as and when authorized to do so by law, to pay to Imperial Irrigation District the total amount of any annual and/or special assessments levied by the last named District upon said lands or any installment of such assessments or any of the several individual assessments or installments thereof, in any case as the same become due and payable. The regular and lawful proceedings, rights and remedies of the last named District shall be in no manner impaired or affected by the provisions of this subarticle. The agreement in this subarticle contained is made expressly for the benefit of said Coachella Valley County Water District.

(f) If for any reason only a part of the works herein contemplated is constructed either by the United States or by the District, then the Board of Directors of the District shall, after public hearing, determine whether or not all of the lands in the District are benefited by the works constructed. If the Board shall find and declare that any certain lands within the District are not benefited by such construction, then no assessments shall thereafter be levied upon such lands for the purpose of meeting the obligations under this contract; and, for the purpose of this subarticle, no land shall be regarded as benefited by the construction of such works until the works contemplated by this contract as indicated on said Exhibit "A" from which water would reasonably be obtained for such lands shall have been constructed.

(g) The District shall have the right to refuse water service to any lands within the District which may at any time be delinquent in the payment of any assessment levied for the purpose of carying out the provisions of this contract.

CHANGES IN DISTRICT BOUNDARIES

ARTICLE 11. After the date of this contract no change shall be made in the boundaries of the District and the Board of Directors shall make no order changing the boundaries of the District, unless and until the Secretary shall assent to such change in writing, and such assent shall have been filed with the Board of Directors of the District; provided, however, that such assent is here-

by given for the inclusion of all of the lands indicated on Exhibit "A" referred to in Article 34 hereof.

TERMS OF PAYMENT

ARTICLE 12. The amount herein agreed to be paid to the United States shall be due and payable in not more than forty (40) annual installments commencing with the calendar year next succeeding the year when notice of completion of all work provided for herein is given to the District or under the provisions of Article 10 (a) hereof upon termination of work through failure of Congress to make necessary appropriations therefor. The first five of such annual installments shall each be one per centum (1%) of the amount herein agreed to be paid to the United States; the next ten of such installments shall each be two per centum (2%) of the amount herein agreed to be paid to the United States, and the remainder of such annual installments shall each be three per centum (3%) of the amount herein agreed to be paid to the United States. The sums payable anually as set forth above shall be divided into two equal semi-annual payments, payable on March first and September first of each year; provided, however, that if notice of the completion of work is given to the District subsequent to September first of any year the first semi-annual installment of charges hereunder shall be due and payable on March first of the second succeeding year.

OPERATION AND MAINTENANCE COSTS

ARTICLE 13. Each agency other than the District for which capacity is provided in the works to be constructed hereunder shall bear such proportionate part of the cost of operation and maintenance (including repairs and replacements) of the component parts thereof and of the Laguna Dam as may be determined by the Secretary to be equitable and just, but not less than an amount in proportion to the total amount as are the relative capacities provided in each component part for such agency and for all other agencies, including the District. Each agency shall advance to the District, on or before January first of each year, its proportionate share of the estimated cost for that year of operation and maintenance in accordance with a notice to be issued by the District, provided that payment shall in no event be due until thirty days after receipt of notice. Prior to March 1st of each year the District shall provide each agency with a statement showing in detail the costs for the previous year for operation and maintenance of the works on account of which such agency has made advances. Differences between actual costs and estimated costs shall be adjusted in next succeeding notices. Upon request of any agency both the advance notice of estimated costs and the subsequent statement of actual costs for each year shall be reviewed by the Secretary and his detrmination of proper charges shall be final. Such review shall not change the due date for

advance payments as herein provided, and the cost of such review shall be borne equally by the requesting agency and the District. The District may, at its option, withhold the delivery of water from any agency until its proportionate share of the costs of operation and maintenance have been advanced or paid, as in this article provided.

POWER POSSIBILITIES

ARTICLE 14. As one of the considerations for the partial termination of the contract of October 23, 1918, as provided for in Article sixteen (16) hereof, the power possibilities on the All-American Canal down to and including Syphon Drop with water carried for the benefit of the Yuma Project as provided for in Article fifteen (15) hereof, are hereby reserved to the United States. Subject to the foregoing provisions of this Article and the participation by other agencies as provided for in Article twenty-one (21) hereof, the District shall have the privilege at any time of utilizing by contract or otherwise such power possibilities as may exist upon said canal. The net proceeds as hereinafter defined in Article thirty-two (32) hereof and as determined by the Secretary for each calendar year from any such power development shall be paid into the Colorado River Dam Fund on March first of the next succeeding calendar year and be credited to the District on this contract until the District shall have paid thereby and/or otherwise an amount of money equivalent to that herein agreed to be paid to the United States. Thereafter such net power proceeds belong to the District. It is agreed that in the event the net power proceeds in any calendar year, creditable to the District, shall exceed the annual installment of charges payable under this contract during the then current calendar year, the excess of such net power proceeds shall be credited on the next succeeding unpaid installment to become due from the District under this contract.

DIVERSION AND DELIVERY OF WATER FOR YUMA PROJECT

ARTICLE 15. As a further consideration for the partial termination of the contract of October 23, 1918, as provided in Article sixteen (16) hereof, the District hereby agrees to divert at the Imperial Dam, and to transport and deliver at Syphon Drop and/or such intermediate points as may be designated by the Secretary, the available water to which the Yuma Project (situated entirely within the United States and not exceeding in area 120,000 acres plus lands lying between the project levees and the Colorado River as such levees are located in 1931) is entitled, not exceeding two thousand (2,000) second-feet of water in the aggregate, or such part thereof as the Secretary may direct, for the use and benefit of said project, including the development of power at Syphon Drop, such water to be diverted, transported and delivered continuously in so far as reasonable diligence will permit; provided, however,

that water shall not be diverted, transported or delivered for the Yuma Project when the Secretary notifies the District that said project for any reason may not be entitled thereto; provided, further, that the District shall divert, transport and deliver such water in excess of requirements for irrigation or potable purposes, as determined by the Secretary, on the Yuma Project as so limited, only when such water is not required by the District for irrigation or potable purposes. The diversion, transportation and delivery of water for the Yuma Project as aforesaid shall be without expense to the United States or its successors in control of said project, as to capital investment required to provide facilities for such diversion and transportation of water, except such checks, turnouts and other structures required for delivery from said canal.

CONTRACT OF OCTOBER 23, 1918

ARTICLE 16. That certain contract between the United States of America and the District, bearing date of October 23, 1918, providing for a connection with Laguna Dam, is hereby terminated, except as to the provisions of Article nine (9) thereof, and as one of the considerations for the partial termination of said contract by the United States, the District hereby promises and agrees to make full payment to the United States of all unpaid installments of charges as provided in Article nine (9) of said agreement, anything in said contract to the contrary notwithstanding. As an additional consideration for the partial termination of said contract of October 23, 1918, the District hereby promises and agrees to furnish to the United States or its successors in interest in the control, operation and maintenance of the Yuma Project, from any power development on the All-American Canal at or near Pilot Knob, up to but not to exceed four thousand horsepower of electrical energy for use by the agency in charge of project operations for irrigation and drainage pumping purposes and necessary incidental use on said Yuma Project, such power to be furnished at cost (including overhead and general expense) plus ten per cent; provided, however, that the District shall not be required to furnish such power at or near Pilot Knob except at such times as all power feasible of development at Syphon Drop or developed elsewhere within a radius of 40 miles from the city of Yuma for the benefit of the Yuma Project is being used for project operations as in this article specified.

DELIVERY OF WATER BY UNITED STATES

ARTICLE 17. The United States shall, from storage available in the reservoir created by Hoover Dam, deliver to the District each year at a point in the Colorado River immediately above Imperial Dam, so much water as may be necessary to supply the District a total quantity, including all other waters diverted for use within the District from the Colorado River, in the amounts and with priorities in accordance with the recommendation of the Chief of the

Division of Water Resources of the State of California, as follows: (Subject to availability thereof for use in California under the Colorado River Compact and the Boulder Canyon Project Act):

The waters of the Colorado River available for use within the State of California under the Colorado River Compact and the Boulder Canyon Project Act shall be apportioned to the respective interests below named and in amounts and with priorities therein named and set forth, as follows:

SECTION 1. A first priority to Palo Verde Irrigation District for beneficial use exclusively upon lands in said District as it now exists and upon lands between said District and the Colorado River, aggregating (within and without said District) a gross area of 104,500 acres, such waters as may be required by said lands.

SECTION 2. A second priority to Yuma Project of the United States Bureau of Reclamation for beneficial use upon not exceeding a gross area of 25,000 acres of land located in said project in California, such waters as may be required by said lands.

SECTION 3. A third priority (a) to Imperial Irrigation District and other lands under or that will be served from the All-American Canal in Imperial and Coachella Valleys, and (b) to Palo Verde Irrigation District for use exclusively on 16,000 acres in that area known as the "Lower Palo Verde Mesa," adjacent to Palo Verde Irrigation District, for beneficial consumptive use, 3,850,000 acre-feet of water per annum less the beneficial consumptive use under the priorities designated in Sections 1 and 2 above. The rights designated (a) and (b) in this section are equal in priority. The total beneficial consumptive use under priorities stated in Sections 1, 2 and 3 of this article shall not exceed 3,850,000 acre-feet of water per annum.

SECTION 4. A fourth priority to the Metropolitan Water District of Southern California and/or the City of Los Angeles, for beneficial consumptive use, by themselves and/or others, on the Coastal Plain of Southern California, 550,000 acre-feet of water per annum.

SECTION 5. A fifth priority (a) to The Metropolitan Water District of Southern California and/or the City of Los Angeles, for beneficial consumptive use, by themselves and/or others, on the Coastal Plain of Southern California, 550,000 acre-feet of water per annum and (b) to the City of San Diego and/or County of San Diego, for beneficial consumptive use, 112,000 acre-feet of water per annum. The rights designated (a) and (b) in this section are equal in priority.

SECTION 6. A sixth priority (a) to Imperial Irrigation District and other lands under or that will be served from the All-American Canal in Impreial and Coachella Valleys, and (b) to Palo Verde Irrigation District for use exclusively on 16,000 acres in that area known as the "Lower Palo Verde Mesa," adjacent to Palo Verde Irrigation District, for beneficial consumptive use, 300,000 acre-feet of water per annum. The rights designated (a) and (b) in this section are equal in priority.

SECTION 7. A seventh priority of all remaining water avaliable for use within California, for agricultural use in the Colorado River Basin in California, as said basin is designated on Map No. 23000 of the Department of the Interior, Bureau of Reclamation.

SECTION 8. So far as the rights of the allottees named above are concerned, the Metropolitan Water District of Southern California and/or the City of Los Angeles shall have the exclusive right to withdraw and divert into its aqueduct any water in Boulder Canyon Reservoir accumulated to the individual credit of said District and/or said City (not exceeding at any one time 4,750,000 acre-feet in the aggregate) by reason of reduced diversions by said District and/or said City; provided, that

accumulations shall be subject to such conditions as to accumulation, retention, release and withdrawal as the Secretary of the Interior may from time to time prescribe in his discretion, and his determination thereof shall be final; provided further, that the United States of America reserves the right to make similar arrangements with users in other States without distinction in priority, and to determine the correlative relations between said District and/or said City and such users resulting therefrom.

SECTION 9. In addition, so far as the rights of the allottees named above are concerned, the City of San Diego and/or County of San Diego shall have the exclusive right to withdraw and divert into an aqueduct any water in Boulder Canyon Reservoir accumulated to the individual credit of said City and/or said County (not exceeding at any one time 250.000 acre-feet in the aggregate) by reason of reduced diversions by said City and/or said County; provided, that accumulations shall be subject to such conditions as to accumulations, retention, release and withdrawal as the Secretary of the Interior may from time to time prescribe in his discretion, and his determination thereof shall be final; provided further, that the United States of America reserves the right to make similar arrangements with users in other States without distinction in priority, and to determine the correlative relations between the said City and/or said County and such users resulting therefrom.

SECTION 10. In no event shall the amounts allotted in this agreement to the Metropolitan Water District of Southern California and/or the City of Los Angeles be increased on account of inclusion of a supply for both said District and said City, and either or both may use said apportionments as may be agreed by and between said District and said City.

SECTION 11. In no event shall the amounts allotted in this agreement to the City of San Diego and/or to the County of San Diego be increased on account of inclusion of a supply for both said City and said County, and either or both may use said apportionments as may be agreed by and between said City and said County.

SECTION 12. The priorities hereinbefore set forth shall be in no wise affected by the relative dates of water contracts executed by the Secretary of the Interior with the various parties.

The Secretary reserves the right to, and the District agrees that he may, contract with any of the allottees above named in accordance with the above stated recommendation, or, in the event that such recommendation as to Palo Verde Irrigation District is superseded by an agreement between all the above allottees or by a final judicial determination, to contract with the Palo Verde Irrigation District in accordance with such agreement or determination; *Provided,* that priorities numbered fourth and fifth shall not thereby be disturbed.

As far as reasonable diligence will permit said water shall be delivered as ordered by the District, and as reasonably required for potable and irrigation purposes within the boundaries of the District in the Imperial and Coachella Valleys in California. This contract is for permanent water services but is subject to the condition that Hoover Dam and Boulder Canyon Reservoir shall be used; First, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of perfected rights in pursuance of Article VIII of the Colorado River Compact; and third, for power. This contract is made upon the express condition and with the express

covenant that the District and the United States shall observe and be subject to, and controlled by said Colorado River Compact in the construction, management and operation of Hoover Dam, Imperial Dam, All-American Canal, and other works and the storage, diversion, delivery and use of water for the generation of power, irrigation, and other purposes. The United States reserves the right to temporarily discontinue or reduce the amount of water to be delivered for the purpose of investigation, inspection, maintenance, repairs, replacements or installation of equipment and/or machinery at Hoover Dam, but as far as feasible the United States will give the District reasonable notice in advance of such temporary discontinuance or reduction. The United States, its officers, agents and employees shall not be liable for damages when, for any reason whatsoever, suspension or reductions in delivery of water occur. This contract is without prejudice to any other or additional rights which the District may now have not inconsistent with the foregoing provisions of this article, or may hereafter acquire in or to the waters of the Colorado River. Nothing in this contract shall be construed to prevent the District from diverting water to the full capacity of the All-American Canal if and when water over and above the quantity apportioned to it hereunder is available, and no power development at Imperial and/or Laguna Dam shall be permitted to interfere with such diversion by the District, but, except as provided in Article twenty-one (21), water shall not be diverted, transported or carried by or through the works to be constructed hereunder for any agency other than the District, except by written consent of the Secretary.

MEASUREMENT OF WATER

ARTICLE 18. The water which the District receives under the apportionment as provided in Article seventeen (17) hereof shall be measured at such point or points on the canal as may be designated by the Secretary. Measuring and controlling devices shall be furnished and installed by the United States as a part of the work provided for herein, but shall be operated and maintained by and at the expense of the District. They shall be and remain at all times under the complete control of the United States, whose authorized representatives may at all times have access to them over the lands and rights-of-way of the District.

RECORD OF WATER DIVERTED

ARTICLE 19. The District shall make full and complete written reports as directed by the Secretary, on forms to be supplied by the United States, of all water diverted from the Colorado River, and the disposition thereof. The records and data from which such reports are made shall be accessible to the United States on demand of the Secretary.

REFUSAL OF WATER IN CASE OF DEFAULT

ARTICLE 20. The United States reserves the right to refuse to deliver water to the District in the event of default for a period of more than twelve (12) months in any payment due the United States under this contract, or, in the discretion of the Secretary to reduce deliveries in such proportion as the amount in default by the District bears to the total amount due. It is understood, however, that the provisions of this article shall not relieve the District of its obligation to divert, transport and deliver water for the use and benefit of the Yuma Project as herein elsewhere provided, nor shall it relieve the District of its obligation hereunder to divert, transport and deliver water for the use and benefit of other agencies with whom the United States may contract for the diversion, transportation and delivery of water through or by the works to be constructed under the terms hereof. The United States further reserves the right to forthwith assume control of all or any part of the works to be constructed hereunder and to care for, operate and maintain the same, so long as the Secretary deems necessary or advisable, if, in his opinion, which shall be final and binding upon the parties hereto, the District does not carry out the terms and conditions of this contract to their full extent and meaning. In such event, the District's pro rata share of the actual cost of such care, operation and maintenance by the United States shall be repaid to the United States, plus fifteen per centum (15%) to cover overhead and general expense, on March first of each year immediately succeeding the calendar year during which the works to be constructed hereunder are operated and maintained by the United States. Nothing herein contained shall relieve the District of the obligation to pay in any event all installments and penalties provided in this contract.

USE OF WORKS BY THE UNITED STATES AND OTHERS

ARTICLE 21. The United States also reserves the right to, and the District agrees that it may, at any time prior to the transfer of constructed works to the District for operation and maintenance, increase the capacity of the said works and contract for such increased capacity with other agencies for the delivery of water for use in the United States; provided, however, that such other agencies shall not thereby be entitled to participate in power development on said All-American Canal, except at points where and to the extent that the water diverted and/or carried for them contributes to the development of power. In the event other agencies thus contract with the United States, each of such agencies shall assume such proportion of the total cost of said works to be used jointly by such agency and the District, including Laguna Dam, as the Secretary may determine to be equitable and just but not less than the proportion that the capacity provided for such agency in such works bears to the total capacity thereof (except in that part thereof above Syphon Drop including Laguna Dam, in which part the proportion which such other agency shall

assume shall be not less than the proportion that the capacity provided for such agency therein bears to the total capacity thereof less the capacity to be provided hereunder without cost to and for the Yuma Project) and the District's financial obligations under this contract shall be adjusted accordingly. In no event shall construction costs chargeable to the District be increased by reason of additional capacity being provided for any such agency or agencies or contract or contracts having been made with same. Any such agency thus contracting shall also be required to reimburse the District in such amounts and at such times as the Secretary may determine to be equitable and just for payments theretofore made by the District for the right to use Laguna Dam.

TITLE TO REMAIN IN THE UNITED STATES

ARTICLE 22. Title to the aforesaid Imperial Dam and All-American Canal to be constructed by the United States under the terms and conditions hereof, shall be and remain in the United States notwithstanding transfer of the care, operation and maintenance thereof to the District; provided, however, that the Secretary may, in his discretion, when repayments to the United States of all moneys advanced shall have been made, transfer the title to said main canal and apurtenant structures, except the diversion dam and the main canal and appurtenant structures down to and including Syphon Drop, to the District or other agencies of the United States having a beneficial interest therein in proportion to their respective capital investments under such form or organization as may be acceptable to him.

ASSESSMENT OF PUBLIC LAND

ARTICLE 23. The following lands are hereby designated as subject to the provisions of the act of August 11, 1916 (39 Stat., 506), and the act of May 15, 1922 (42 Stat., 541):

(a) All unentered public lands and entered lands for which no final certificate has been issued, situate within the District at the date hereof; and when included within the District, unentered public lands and entered lands for which no final certificate has been issued, hereafter to be included within the District pursuant to this contract, all described in a statement marked Exhibit "B" attached hereto and by reference thereto made a part hereof; and

(b) Unentered public lands and entered lands for which no final certificate has been issued not so described but hereafter annexed to the District, upon the Secretary's consenting, in the case of such lands hereafter annexed to the District, to assessment hereunder of such added lands, which consent will be requested by resolution of the Board of Directors of the District and will be manifested by letetr filed with the District, a copy of such letter to be filed also with the General Land Office, and a copy with the proper local Land Office.

Within a reasonable time, to be determined by the Secretary, from the date water is available for and can be delivered to any public lands within the boundaries of the District, such lands shall be opened to entry.

RULES AND REGULATIONS

ARTICLE 24. There is reserved to the Secretary the right to prescribe and enforce rules and regulations not inconsistent with this contract, governing the diversion and delivery of water hereunder to the District and to other contractors. Such rules and regulations may be modified, revised and/or extended from time to time after notice to the District and opportunity for it to be heard, as may be deemed proper, necessary or desirable by the Secretary to carry out the true intent and meaning of the law and of this contract, or amendments thereof, or to protect the interests of the United States. The District hereby agrees that in the operation and maintenance of the Imperial Dam and All-American Canal, all such rules and regulations will be fully adhered to.

INSPECTION BY THE UNITED STATES

ARTICLE 25. The Secretary may cause to be made from time to time a reasonable inspection of the works constructed by the United States under the terms hereof to the end that he may ascertain whether the terms of this contract are being satisfactorily executed by the District. The actual expense of such inspection in any calendar year, as found by the Secretary, shall be paid by the District to the United States on March first of each year immediately following the year in which such inspection is made, and upon statement to be furnished by the Secretary. The Secretary or his representative shall at all times have the right of ingress to and egress from all works of the District for the purpose of inspection, repairs and maintenance of works of the United States, and for all other purposes.

ACCESS TO BOOKS AND RECORDS

ARTICLE 26. The officials or designated representatives of the District shall have full and free access to the books and records of the United States, so far as they relate to the matters covered by this contract, with the right at any time during office hours to make copies of and from the same; and the Secretary shall have the same right in respect of the books and records of the District.

DISPUTES OR DISAGREEMENTS

ARTICLE 27. Disputes or disagreements as to the interpretation or performance of the provisions of this contract, except as otherwise provided herein, shall be determined either by arbitration or court proceedings, the Secretary

being authorized to act for the United States in such proceedings. Whenever a controversy arises out of this contract, and the parties hereto agree to submit the matter to arbitration, the District shall name one arbitrator and the Secretary shall name one arbitrator, and the two arbitrators thus chosen shall elect three other arbitrators, but in the event of their failure to name all or any of the three arbitrators within thirty (30) days after their first meeting, such arbitrators not so elected, shall be named by the Senior Judge of the United States Circuit Court of Appeals for the Ninth Circuit. The decision of any three of such arbitrators shall be a valid and binding award of the arbitrators.

INTEREST AND PENALTIES

ARTICLE 28. No interest shall be charged on any installments of charges due from the District hereunder except that on all such installments or any part thereof, which may remain unpaid by the District to the United States after the same become due, there shall be added to the amount unpaid a penalty of one-half of one per centum (½%) and a like amount penalty of one-half of one per centum (½%) of the amount unpaid shall be added on the first day of each month thereafter so long as such default shall continue.

AGREEMENT SUBJECT TO COLORADO RIVER COMPACT

ARTICLE 29. This contract is made upon the express condition and with the express understanding that all rights based upon this contract shall be subject to and controlled by the Colorado River Compact, being the compact or agreement signed at Santa Fe, New Mexico, November 24, 1922, pursuant to Act of Congress approved August 19, 1921, entitled "An Act to permit a compact or agreement between the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming, respecting the disposition and apportionment of the waters of the Colorado River, and for other purposes," which compact was approved by the Boulder Canyon Project Act.

APPLICATION OF RECLAMATION LAW

ARTICLE 30. Except as provided by the Boulder Canyon Project Act, the reclamation law shall govern the construction, operation and maintenance of the works to be constructed hereunder.

CONTRACT TO BE AUTHORIZED BY ELECTION AND CONFIRMED BY COURT

ARTICLE 31. The execution of this contract by the District shall be authorized by the qualified electors of the District at an election held for that purpose. Thereafter, without delay, the District shall prosecute to judgment proceedings in court for a judicial confirmation of the authorization and validity of this con-

tract. The United States shall not be in any manner bound under the terms and conditions of this contract unless and until a confirmatory final judgment in such proceedings shall have been rendered, including final decision, or pending appellate action if ground for appeal be laid. The District shall without delay and at its own cost and expense furnish the United States for its files, copies of all proceedings relating to the election upon this contract and the confirmation proceedings in connection therewith, which said copies shall be properly certified by the Clerk of the Court in which confirmatory judgment is obtained.

METHOD OF DETERMINING NET POWER PROCEEDS

ARTICLE 32. In determining the net proceeds for each calendar year from any power development on the All-American Canal, to be paid into the Colorado River Dam Fund as provided in Article fourteen (14) hereof, there shall be taken into consideration all items of cost of production of power, including but not necessarily limited to amortization of and interest on capital investment in power development, replacements, improvements, and operation and maintenance, if any. Any other proper factor of cost not here expressly enumerated may be taken into account in determining the net proceeds.

CONTINGENT UPON APPROPRIATIONS

ARTICLE 33. This contract is subject to appropriations being made by Congress from year to year of moneys sufficient to do the work provided for herein, and to there being sufficient moneys available in the Colorado River Dam Fund to permit allotments to be made for the performance of such work. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient moneys not being so appropriated nor on account of there not being sufficient moneys in the Colorado River Dam Fund to permit of said allotments. If more than three years elapse after this contract becomes effective and before appropriations are available to permit the United States to make expenditures hereunder, the District may, at its option, upon giving sixty (60) days written notice to the Secretary, cancel this contract. Such option shall be expressed by vote of the electors of the District with the same formalities as required for the authorization of contracts with the United States.

INCLUSION OF LANDS

ARTICLE 34. (a) In this article where the words "area to be included" are used such words shall be understood to mean those certain areas shown on Exhibit "A" and bounded by the lines indicated thereon as "Boundary of Additional Areas in Proposed Enlarged Imperial Irrigation District."

(b) The District agrees to change its boundaries within a reasonable time

after the execution of this contract, in the manner provided by law, so as to include within the District the public lands of the United States in Imperial County lying south of the northerly boundary line of Township eleven (11) South of the San Bernardino Base Line, and within the area to be included.

(c) The District further agrees to change its boundaries, if lawful petition or petitions therefor be presented to its Board of Directors prior to the first day of January, 1940, so as to include within the District any privately owned and/or entered lands for which final certificate has not been issued, in Imperial County, lying south of the northerly boundary line of Township eleven (11) South of the San Bernardino Base Line, and within the area to be included.

(d) The District further agrees to change its boundaries, in the manner provided by law, so as to include within the District the lands lying north of the northerly boundary line of Township eleven (11) South of the San Bernardino Base Line, and within the area to be included, if lawful petition or petitions sufficient in all respects for such inclusion be presented to its Board of Directors at any time prior to the expiration of thirty days from and after the date on which a confirmatory judgment, as required by Article 31 hereof, declaring this contract in all respects valid and duly authorized, shall have become final; provided, however, that the District shall not change its boundaries so as to include any of said lands lying north of the northerly boundary line of said Township eleven (11) South, unless the said petition or petitions so filed shall be sufficient to lawfully include in the aggregate not less than ninety (90%) per centum (the areas to be approved by the Secretary) of the said lands, exclusive of the Dos Palmas area and exclusive of Indian lands and public lands of the United States. Within a reasonable time after the inclusion of such lands pursuant to said petition or petitions the District further agrees to change its boundaries, in the manner provided by law, so as to also include within the District the public lands of the United States within the area to be included and lying north of the northerly boundary line of said Township eleven (11) South.

(e) Whenever any of the lands within the area to be included are included within the District the inclusion thereof shall be made upon conditions substantially as hereinafter contained (filling blank spaces with appropriate unit names as may be required and other proper designations), and the Secretary, on behalf of the United States, hereby consents to such inclusion and conditions, which conditions are as follows:

CONDITION NO. 1—*Definitions*

In the following conditions, the word "District" shall mean Imperial Irrigation District; the word "Board" shall mean the Board of Directors of Imperial Irrigation District; the words "All-American Canal Contract" shall mean that certain contract between the United States of America by Ray Lyman Wilbur, Secretary of the Interior, and Imperial Irrigation District, dated ....., and entitled "Contract for construction of diver-
(Date of this contract)

sion dam, main canal and appurtenant structures and for Delivery of Water," authorized by the electors of Imperial Irrigation District at an election held .....;
(Date of this contract authorized)
and the words "distribution system" shall mean the secondary main canal and lateral system or systems, including all canals, pipe lines, structures, pumping plants, machinery and incidental works necessary or convenient under the rules and regulations of Imperial Irrigation District for delivery of water for irrigation and domestic purposes from the All-American Canal, as the same is shown on Exhibit "A" attached to and made a part of said All-American Canal Contract, to lands in ..... Unit as such unit
(Name)
is hereinafter defined.

CONDITION NO. 2—*Division into Units*

For the purposes of these conditions and in compliance with the terms of the All-American Canal Contract, the District shall be divided into units, commencing with Imperial Unit, which unit shall comprise the lands within the District as of July 1, 1931, and such other lands as may at any time or from time to time be added thereto in the discretion of the Board.

..... Unit shall comprise .....
(Name)

.....

.....

(here shall follow description or other designation of the unit involved as provided by Article 10 (c) of the All-American Canal Contract).

CONDITION NO. 3—*All-American Canal Contract*

The lands within ..... Unit shall be, in all respects, bound by
(Name)
all of the terms and conditions of the All-American Canal Contract and particularly by Article 10 thereof, and shall pay, as a unit obligation, the several amounts and in the manner and at the times provided for in said contract, as the Board may determine; provided, that said lands in ..... Unit shall pay to the District, as a
(Name)
unit obligation, that proportion of the total sum paid by the District to the United States under that certain contract of October 23, 1918, between the United States and the District for the right to connect with Laguna Dam, prior to the payment of the first installment on said contract of October 23, 1918, for which said land shall be assessed, that the total area of ..... Unit bears to the total area of the District at the date notice
(Name)
of completion of all work provided for in the All-American Canal Contract shall be given, pursuant to Article 12 thereof, to the District. Said sum shall be divided into ten annual installments, as nearly equal as may be practicable, and paid, commencing with the calendar year next succeeding the calendar year when such notice of completion shall be so given.

CONDITION NO. 4—*Distribution System*

The lands within ..... Unit shall pay, as a unit obligation, the
(Name)
total capital cost of any distribution system which may be constructed by or under authority of the District, to serve the lands within said ..... Unit or any
(Name)
part thereof. When said distribution system, or any part thereof, is constructed, or an obligation therefor is incurred, said lands shall pay annually, such sum or sums as may be

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necessary to meet the then current obligation therefor, whether for principal or interest or both, or otherwise. Said distribution system shall at all times be and remain the exclusive property of the District unless the District shall provide otherwise, in the discretion of the Board. When funds for the construction of said distribution system are made available, the District shall construct or authorize the same to be constructed, as the Board may determine.

CONDITION NO. 5—*Pumping Costs*

The Board shall provide by rule for the payment by the lands served of the cost of power required to pump water to or for the use of such lands.

CONDITION NO. 6—*Charges to be Part of Assessment*

Any and all charges against or upon the lands within ..... (Name) Unit provided for by the foregoing conditions unless otherwise collected from the lands within ..... (Name) Unit shall be a part of, but in addition to, the annual assessment upon the said lands for other District purposes and payable in installments accordingly, and shall constitute an additional annual charge upon the land, and the Board shall levy such assessment upon the said lands upon an ad valorem or other basis as now or hereafter provided by law, in an amount or in amounts sufficient to raise the several sums provided for from the said lands within ..... (Name) Unit; provided, that for the protection of the interests and security of the United States, pending completion of construction of the All-American Canal to such extent that water is available in said canal for use in ..... (Name) Unit, the annual assessment upon the lands within said unit for District purposes shall be limited to raise only the just proportion chargeable to said unit for expenditures connected with or applying to the All-American Canal and/or arising from expenditures made in or on behalf of said units.

(f) In the event petition or petitions for inclusion, pursuant to this article, of any privately-owned lands or entered lands for which no final certificate has at the time been issued, lying south of the northerly boundary line of Township eleven (11) South of the San Bernardino Base Line, and within the area to be included, be presented subsequent to the expiration of thirty days from and after the date on which a confirmatory judgment, as required by Article 31 hereof, declaring this contract in all respects valid and duly authorized, shall have become final, then the District may in the discretion of the Board of Directors require as a condition precedent to the granting of said petition or petitions and in addition to the other conditions above named, that the petitioners shall pay to the District such respective sums as nearly as the same can be estimated (the amounts to be determined by the Board) as the holders of title or evidence of title to the several parcels of land involved in said petition or petitions and their granters would have been required to pay to the District as assessments had such lands been included within the District at the expiration of said 30-day period, or such portion of said sum as the Board of Directors may at the time determine. The provisions of this sub-article shall also apply to all lands lying north of the northerly boundary line of said Township eleven (11) South, and within the area to be included, provided the ninety per centum

(90%) petition required by sub-article (d) of this article is filed prior to the expiration of said 30-day period.

(g) In the event the petition or petitions for inclusion of the said lands lying north of the northerly boundary line of said Township eleven (11) South of the San Bernardino Base Line, as in sub-article (d) above provided are not made and filed with the Board of Directors of the District prior to the expiration of thirty days from and after the date on which a confirmatory judgment, as required by Article 31 hereof, declaring this contract in all respects valid and duly authorized, shall have become final, as hereinabove provided, then said lands shall not thereafter be included within the District under the provisions of this contract and the works referred to in this contract north of the northerly boundary line of said Township eleven (11) South of the San Bernardino Base Line shall not be constructed under this contract and the District shall be relieved from all responsibility therefor, anything in this contract to the contrary notwithstanding, and the capacities in the works to be constructed under this contract, shall be reduced accordingly.

(h) Nothing contained in this contract shall impair any right or remedy of any person entitled to object or protest against the inclusion within the District of any particular tract or tracts of land, or the conditions imposed by the Board of Directors of the District on the inclusion of any particular tract or tracts, nor impair the power of the Board to hear and determine any such objections or protests, but if in the opinion of the Secretary such determination by the Board substantially impairs the interests of, or security otherwise available to, the United States, under this contract, then and in such event the United States shall be under no obligation to proceed further under this contract. In the event any petition or petitions be filed for the inclusion within the District of any lands within the area to be included and, after the conditions set out in sub-article (e) of this article, or conditions less burdensome, are imposed thereon, a sufficient majority statement or statements in writing be filed objecting to the inclusion of such lands with the conditions imposed thereon, so that the Board of Directors is required to dismiss such petition or petitions, then it shall be regarded as if such petition or petitions had not been filed.

PRIORITY OF CLAIMS OF THE UNITED STATES

ARTICLE 35. Claims of the United States arising out of this contract shall have priority over all others, secured and unsecured.

RIGHTS RESERVED UNDER SECTION 3737 REVISED STATUTES

ARTICLE 36. All rights of action for breach of any of the provisions of this contract are reserved to the United States as provided in Section 3737 of the Revised Statutes of the United States.

REMEDIES UNDER CONTRACT NOT EXCLUSIVE

ARTICLE 37. Nothing contained in this contract shall be construed as in any manner abridging, limiting or depriving the United States or the District of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any other provision hereof or of a subsequent breach of such provision.

INTEREST IN CONTRACT NOT TRANSFERABLE

ARTICLE 38. No interest in this contract is transferable by the District to any other party, and any such attempted transfer shall cause this contract to become subject to annulment at the option of the United States.

MEMBER OF CONGRESS CLAUSE

ARTICLE 39. No member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom. Nothing, however, herein contained shall be construed to extend to this contract if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By RAY LYMAN WILBUR,
Secretary of the Interior.

Attest:
NORTHCUTT ELY,
ELWOOD MEAD.

IMPERIAL IRRIGATION DISTRICT,
By JOHN L. DUBOIS, *President.*

Attest:
F. H. MCIVER, *Secretary.*

[SEAL]

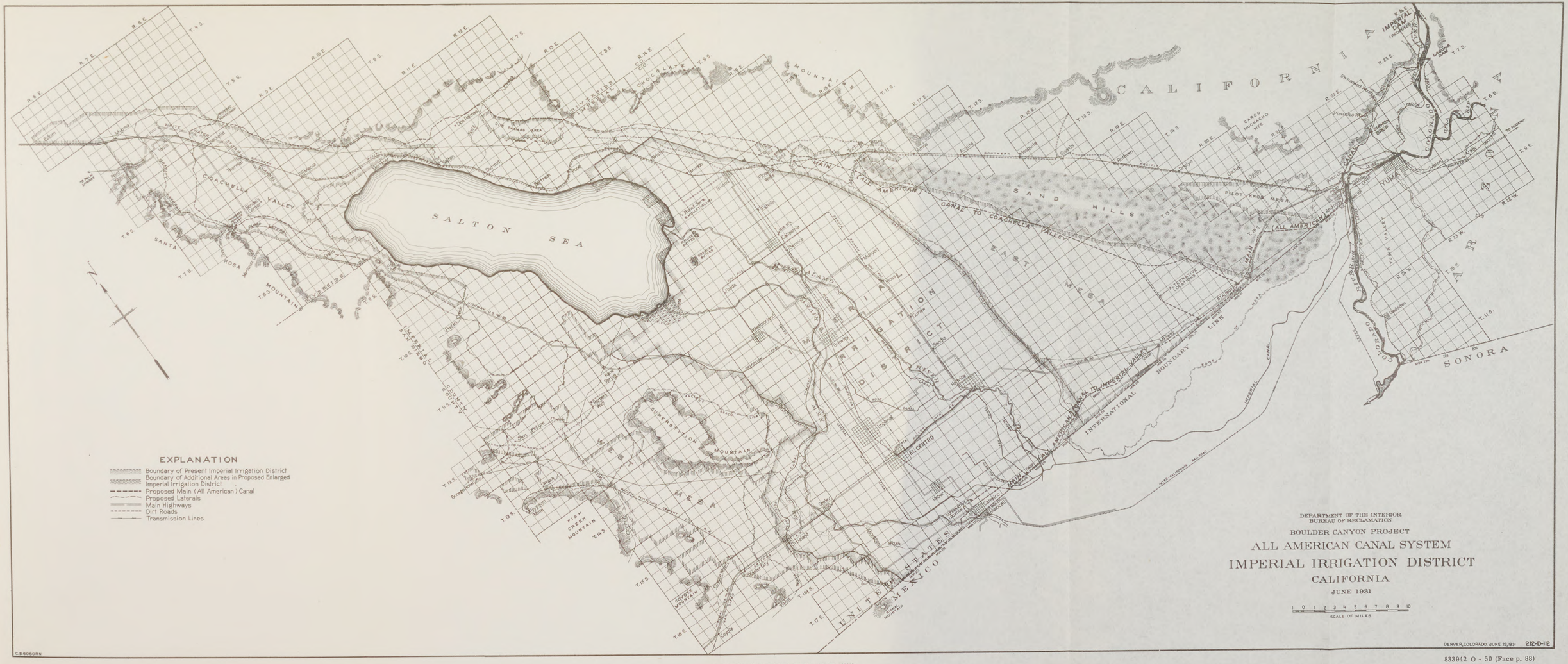

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EXHIBIT "B"

Unentered Public Lands and Entered Lands for which no Final Certificate has been issued.

Twp. S.	Rg. E.	Sec.	Description of
4	6	18	E½ of SE¼
		24	E½ of SE¼
4	7	30	E½ of NW¼
		30	Lot 1
5	7	2	S½ of NW¼ & N½ of SW¼ & SE¼ of SW¼ & SE¼
		6	W½ of Lots 1 & 2 of NW¼ & N½ of Lots 1 & 2 of SW¼ & S½ of SE¼
		12	SW¼ of NW¼ & NW¼ of SW¼ & E½ of NE¼ & SE¼
		18	N½ & SE¼
		32	NE¼ of NW¼
5	8	18	NW¼ & E½ of SE¼
		20	W½ of NE¼ & SE¼
		27	W½ SW¼
		28	NE¼ & N½ of NW¼
		34	SW¼
6	7	4	S½
		8	E½ of NE¼ & SE¼
		16	NE¼
		20	NE¼ of NW¼ & S½ of SE¼
		28	W½ of NW¼
		34	W½ of NW¼
6	8	2	SE½ of SE¼ & NW¼ of SE¼
		4	N½ of SE¼
		12	W½ of SW¼
6	9	30	E½
		32	N½ of NW¼ & N½ of SW¼
7	7	10	NE¼ of NE¼
		24	NE¼ of NE¼
7	8	18	SE¼ of SE¼ & S½ of SW¼
		20	SW¼ & SW¼ of SE¼
		34	NW¼ of NW¼
7	9	4	NE¼ of NW¼ & NW¼ of NE¼ & S½ of NE¼ & S½
		10	W½ & NE¼
		14	ALL
		22	E½ of NE¼
7	10	18	All
		20	E½
		22	SW¼ & SW¼ of NW¼ & SW¼ of SE¼
		26	W½ of SW¼ & SE¼ of SW¼
		28	NW¼ & N½ of NE¼
8	8	10	E½ of SW¼
		14	W½ of SW¼ & SW¼ of SE¼
8	10	2	E½ of NE¼, NW¼ of NE¼, NE¼ of SE¼
		12	NE¼ & E½ of SE¼, NE¼ of NW¼ & NW¼ of SE¼
8	11	6	SW¼ of NW¼, SW¼ & SE¼ of SE¼
		12	E½ of SE¼ & SE¼ of NE¼
		18	NW¼
8	12	18	All
		20	All
		26	W½ of SW¼ & SE¼ of SW¼
		28	E½ of NE¼ & NW¼ of NE¼ & NE¼ of NW¼
		32	N½ of NE¼
		34	All
9	12	2	N½ & SW¼
		4	NE¼ & N½ of SE¼ & SE¼ of SE¼
		10	NW¼ of NW¼
9	13	32	NW¼ & SW¼ & E½
10	9	2	NE¼ & E½ of NW¼ & SE¼
		12	All
10	10	6	W½ & SW¼ of SE¼
10	12	2	All
10	13	2	Lots, 7, 8, 13 & 14, SE¼, Lots 3, 4, 5, 6, 9, 10, 11 & 12
		4	Lots 3, 4, 6, 7 & 14 & SW¼
		6	Lots 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 & 14 SE¼ & SW¼
		8	E½ & NW¼ & SW¼

Twp. S.	Rg. E.	Sec.	Description of
10	13	10	S½ of NW¼, E½ of NE¼
		12	S½ of SE¼, E½ & NW¼ of NW¼ & SW¼ of NW¼ & NW¼ of NE¼, S½ of NE¼ & N½ of SE¼, NE¼ of NE¼, NW¼, of SW¼ & SE¼ of SW¼ & NE¼ of SW¼ & SW¼ of SW¼
		14	NE¼ & SE¼
		24	NW¼, SW¼ of SW¼, S½ of SE¼
		28	E½ of SE½, W½ of SE¼ & NW¼ & SW¼
10	14	18	SE¼ & SW¼ of NE¼, NW¼ of NE¼, SE¼ of NE¼, NE¼ of NE¼, E½ of NW½, Lots 3 & 4
		20	NE¼ of SE¼, S½ of SE¼, NW¼ of SE¼, SW¼ of NE¼, S½ of NW¼, NW¼ of NW¼, NE¼ of NW¼
		28	S½ of SE¼ & NW¼ of SE¼
		30	Lots 3 & 4, E½ of NW¼
		32	W½ of SE¼, S½ of NE¼, E½ of SE¼, N½ of NE¼, N½ of SW¼
		34	NE¼
11	11	18	SE¼
		20	W½
		30	All
		32	W½ & SE¼
11	12	24	All
11	13	2	Lots 5 & 6, SE¼ of NW¼ & SW¼ of NW¼
		4	NW¼ & SW¼ & S½ of SE¼ & N½ of SE¼ & NE¼
		10	NW¼ of NW¼, E½ of NW¼ & SW¼ of NW¼
		16	NE¼ of NE¼, SE¼ of NE¼
11	14	2	SW¼ of SW¼
11	14	4	Lots 3, 4, 5 & 6 & SE¼ of NE¼
		12	NE¼ of NW¼, SE¼ of NW¼ & W½ of NW¼
11	15	6	E½
		8	NW¼ & S½ of SE¼
		22	All
		26	All
		28	NE¼ & N½ of NW¼, SE¼ of NW¼, N½ of SE¼, SE¼ of SE¼ & SW¼ of NW¼
		34	NE¼ of SW¼
11	16	30	SW 40 acres of SW¼
12	9	8	S½
		12	S½
		14	All
		18	All
		20	All
		22	W½
		24	All
		27	W½
		28	All
		29	NE¼ & NE¼ of SE¼
		34	NE¼ & NW¼ & SW¼
		35	NW¼
12	10	18	All
		20	All
		30	All
12	11	4	W½ of SW¼ & W½ of NW¼
		6	All
		8	All
		10	All
		14	E½ & N½ of NW¼
		22	N½ & SE¼
		24	All
12	12	8	All
		10	NW¼ & NE¼ & SW¼
		14	SW¼
		18	SE¼
		20	NE¼ & SE¼
		22	NW¼ of NW¼, SW¼ of NW¼, NE¼ of NW¼, SE¼ of NW¼, N½ of SW¼, S½ of SW¼
		28	E½ of E½, W½ of NE¼, E½ of NW¼

Twp. S.	Rg. E.	Sec.	Description of
12	12	30	NW¼ of NE¼, NE¼ of NW¼, NE¼ of NE¼, SE¼ of NW¼, Lots 3, 4, 5 & 6, NE¼ of SW¼, SE¼ of SW¼, SE¼ of SE¼, SW¼ of SE¼
		32	S½ of SW¼, W½ of NW¼, NW¼ of SW¼, SE¼ of SE¼, NE¼ of SE¼, SE¼ of NE¼, SW¼ of NE¼, NW¼ of NE¼, SE¼ of NW¼, NE¼ of NW¼
12	15	2	All
		12	All
		24	NE¼ & SE¼, NE¼ of NW¼
12	16	4	SW¼ & SW¼ of SE¼
		6	All
		10	NW¼ of NW¼, S½ of NW¼, SW¼, W½ of SE¼, SE¼ of SE¼
		14	W½ of SW¼
		18	All
		19	S½
		20	SW¼ of NW¼ & SW¼ & SW¼ of SE¼
		28	SW¼ of NW¼, SW¼ & SW¼ of SE¼
		29	All
		30	All
		31	E½ & E½ of W½
		32	All
		33	All
		34	SW¼ & SW¼ of NW¼ & SW¼ of SE¼
13	9	1	Lots 3, 4, 5, 6, 7, 8, 9 & 10, SW¼
		2	E½ of SE¼, Lots 3, 4, 5 & 6
		5	Lots 4, 5 & 7, SW¼
		6	Lots 3, 4, 5, 6, 7, 8, 9, 10, 11, E½ of SW¼, SE¼
		7	Lot 8, N½ of NE¼ & NE¼ of SE¼
		8	Lots 1, 2, 3, 4, 5 & 6 & N½ of NW¼
		10	Lot 8
13	9	Tract 42	
		12	Lots 1, 2, 3 & N½ of NW¼
		Tract 43	All
		Tract 45	All
		Tract 47	All
		Tract 48	All
		13	Lots 4, 8, 9, 10 & 11
		14	Lots 1, 2, 3, 4, 5, 9, 10 & 11
		Tract 54	All
		Tract 55	All
		Tract 56	All
		Tract 58	
		Tract 62	All
		Tract 74	
		22	Lot 1 & E½ of NE¼
		23	Lots 3, 4, 6, 9, 10 & 19 & N½ of NW¼ & NE¼ of SE¼
		24	Lots 7, 9, 10, 15, 16 & 18, N½ of SW¼ & SE¼ of SW¼
		25	Lots 3 & 5
13	10	6	Tract 43, Tract 45
		7	Tract 49, Tract 50, Lots 5, 6, 9 & 16
		13	SW¼
		14	SE¼, E½ of SW¼
		17	SE¼
		18	Tract 51, Tract 52, Tract 53 & Lots 7 & 8
		19	Tract 61, Tract 57
		20	NE¼, SE¼
		21	All
		22	S½
		24	All
		25	All
		27	NW¼, SW¼, SE¼
		28	All
		29	NE¼, SE¼, E½ of NW¼
		30	Lots 3 & 11
		32	E½ of WE¼, W½ of NE¼, E½ of NW¼ & SE¼
		33	All
		34	N½, N½ of S½
		35	All
13	11	19	W½ & SE¼ & SW¼ of NE¼

Twp. S.	Rg. E.	Sec.	Description of
13	11	30	NW¼ & NW¼ of NE¼ & NW¼ of SW¼
13	12	4	Lots 3, 4, 5, 7, 8, & 9, SE¼ of SE¼, NE¼ of SE¼ SE¼ of NE¼
		9	Lot 1 & NE¼ of NE¼, SE¼ of NE¼, SE¼ SW¼ of NE¼
		10	Lots 8 & 9, NE¼ of SW¼, SE¼ of SW¼
		13	Lot 15, NE¼ of SW¼
		14	W½ of SW¼
		15	E½ of SE¼, W½ of SE¼, NW¼ & SW¼
		23	NW¼, SW¼ of NE¼, SW¼, SE¼
		25	S½ of SE¼ & NW¼
13	13	20	Lots 4 & 7
13	16	1	Lots 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 & 28, SE¼ & SW¼
		2	All
		3	All
		4	All
		5	Lots 1, 2, 3, 6, 7, 8, 9, 10, 11, 15, 16, 17, 18, 23, 24, 25, 26
		9	All
		10	All
		11	All
		12	All
		13	All
		14	All
		15	All
		21	NW¼ & NE¼, E½ of SE¼
		22	All
		23	All
		24	All
		25	All
		26	All
		27	All
		28	NE¼ of NW¼, SE¼ of NW¼, NE¼ of SW¼
		34	NE¼, NE¼ of SE¼
		35	All
13	17	5	SW¼ of SW¼
13	17	6	Lots 15, 21, 22, 23, 24, 25, 27, 28, 29 & 30, SE¼ & SW¼
		7	All
		8	W½ & SE¼ & SW¼ of NE¼
		9	SW¼ of SW¼
		17	All
		18	All
		19	All
		20	All
		21	All
		22	SW¼ of NW¼, SW¼ & SW¼ of SE¼
		26	SW¼ of SW¼
		27	All
		28	All
		29	All
		30	All
		31	All
		32	All
		33	All
		34	All
		35	NW¼ of NW¼ & S½ of NW¼, SW¼
14	10	1	All
		2	All
		3	S½ of N½ & SE¼
		9	E½
		10	S½
		11	E½ & SW¼
		12	All
		13	All
		14	NE¼ & NW¼
		15	All
		20	NE¼ & SE¼
		21	All
		22	All
		23	All
		24	W½
		26	All
		27	All
		28	All
		29	All
		32	All
		33	All
		34	All
		35	All
14	11	6	W½
		7	W½, SW¼ of SE¼

Twp. S.	Rg. E.	Sec.	Description of
14	11	17	SW¼ & S½ of SE¼, NW¼ of SE¼ & SW¼ of NW¼
		18	All
		19	All
		20	All
		21	W½ & SE¼ & S½ of NE¼ & NW¼ of NE¼
		22	S½
		23	SW¼ of SW¼
		26	S½ & NW¼ & SW¼ of NE¼
		27	All
		28	All
		29	All
		30	All
		31	All
		32	All
		33	All
		34	All
		35	All
14	12	1	W½ & W½ of NE¼ & SE¼
		2	E½
		11	E½
		12	W½, W½ of SE¼ & NE¼
		13	NE¼ & N½ of NW¼ & SE¼
		24	SE¼
		25	All
		26	SE¼ & SE¼ of SW¼ & SE¼ of NE¼
		31	SW¼
		35	All
14	13	7	NW¼ & SW¼, SE¼ & SW¼ of NE¼
		8	SW¼ of SW¼
		9	SW¼ of SW¼
		17	W½ of W½ & E½ of NW¼ & NE¼ of SW¼
		18	W½ & N½ of NE¼, S½ of SE¼
		19	All
		20	SW¼ & W½ of NW¼
		23	Lots 3, 4 & 5
		26	Lots 1 & 2
		29	W½ & SW¼ of NE¼ & SW¼ of SE¼
		30	NE¼ & N½ of SE¼
		32	NE¼ of NW¼, NW¼ of NE¼, E½ of SE¼ & Lot 1
		33	SW¼ of SW¼, E½ of SW¼, W½ of SE¼, SE¼ of NW¼
		34	Lot 6 & NE¼ of Tract 85
14	14	6	Lots 8 & 19
		20	Lots 19, 21, 26 & 28
		29	Lots 19 & 20 & Tract 188½
14	15	12	Lot 17 & SE¼ of SE¼
		13	Lots 1, 9, 10 & 18 & NE¼ of NE¼ & SE¼ of SE¼
		24	E½ of NE¼ & Lots 1, 9, 10, 12 & 20
		25	Lot 1
14	15		W 179.40 acres of Tract 112; W½ of E½ of Tract 171 & E½ of Tract 124
14	16	1	All
		2	Lots 1, 2, 3 & 4 & S½ of N½, E½ of SW¼ & SE¼
		5	SE¼ of SE¼, NE¼ of SE¼, SE¼ of NE¼
		8	E½ of NE¼, NW¼ of SE¼, SW¼ of SE¼, SW¼ of NE¼, SE¼ of NW¼, NW¼ of SW¼, SE¼ of SW¼, SE¼ of SE¼
		9	Lot 26
		11	Lots 1, 3, 8, 9 & 12 & E½ of E½
		12	All
		13	All
		14	Lot 1, NE¼ of NE¼, S½ of NE¼, SE¼ & SE¼ of SW¼
		16	Lots 11, 12, 23 & 24
		17	SE¼ of SE¼, SW¼ of NE¼, NW¼ of SE¼, SW¼ of SW¼, NE¼ of NE¼, NW¼ of NE¼, NE¼ of NW¼, NE¼ of SE¼, SE¼ of NE¼, SE¼ of NW¼, NE¼ of SW¼, SE¼ of SW¼, NW¼ of SW¼

Twp. S.	Rg. E.	Sec.	Description of
14	16	18	SE¼ of SE¼, SW¼ of SE¼, NE¼ of SE¼, NW¼ of SE¼, SE¼ of NE¼
		19	NE½ of NE¼, SE¼ of NE¼, SE¼ of SE¼, NE¼ of SE¼, NW¼ of SE¼, E½ of SW¼, SW¼ of SE¼, Lot 4
		20	W½ and W½ of NE¼, W½ of SE¼, NE¼ of NE¼
		21	Lot 11
		23	E½ & E½ of NW¼ & E½ of SW¼
		24	All
		25	N½ & SE½
		26	E½ & E½ of W½
		29	Lots 1, 3, 4, 8, 9 & 12
		30	Lots 1, 3 & 5, & NE¼ of NW¼
		31	Lots 2, 10, 12, 14, 16, 28 & 30, SE¼ of NE¼, NE¼ of SE¼
		32	Lots1, 4, 6, 7, 11 & 14, SW¼ of NW¼, SW¼ of SE¼, SE¼ of NW¼ SW¼ of NE¼, SE¼ of SE¼, NE¼ of SE¼
		33	SW¼ of SW¼, NW¼ of SW¼
		34	SE¼ of NE¼
		35	E½, E½ of NW¼, E½ of SW¼
14	17	1	SW¼ of SW¼
		2	S½ & NW¼, W½ of NE¼
		3	All
		4	All
		5	All
		6	All
		7	All
		8	All
		9	All
		10	All
		11	All
		12	W½ & SW¼ of NE¼ & W½ of SE¼ & SE¼ of SE¼
		13	All
14	17	14	All
		15	All
		17	All
		18	All
		19	All
		20	All
		21	All
		22	All
		23	All
		24	All
		25	All
		26	All
		27	All
		28	All
		29	All
		30	All
		31	All
		32	All
		33	All
		34	All
		35	All
14	18	18	NW¼ of NW¼, S½ of NW¼, SW¼, W½ of SE¼, SE½ of SE¼
		19	All
		20	SW¼ of NW¼, SW¼, SW¼ of SE¼
		28	W½ of SW¼, SE¼ of SW¼
		29	All
		30	All
		31	All
		32	All
		33	W½ & SE¼ & S½ of NE¼ & NW¼ of NE¼
		34	W½ of SW¼ & SE¼ of SW¼
15	10	1	All
		2	All
		3	All
		4	All
		12	All
		22	All
		23	All
		24	All
		25	All
		26	All
		27	All

Twp. S.	Rg. E.	Sec.	Description of
15	11	1	All
		2	All
		3	All
		4	All
		5	All
		6	All
		7	All
		8	All
		9	All
		10	All
		11	All
		12	All
		13	All
		14	All
		15	All
		17	All
		18	All
		19	All
		20	All
		21	All
		22	All
		23	All
		24	All
		25	NW¼ & SW¼, SE¼
		26	All
		27	All
		28	All
		29	All
		30	All
		31	All
		32	All
		33	All
		34	All
		35	E½ & NW¼
15	12	1	S½ of NE¼, N½ of SE¼, NE¼ of SW¼
		2	Lots 1, 2, 3, 4, 5, 6 & 7
		6	All
		7	All
		8	S½
		9	S½
		10	E½ of NE¼ & SW¼ of NE¼
		11	Lot 4
		13	Lots 7 & 8
		16	W½ of SW¼, NE¼ of NE¼, SE¼ of NW¼
		17	All
		18	All
		19	All
		20	Lots 1, 2, 3, 4, 5, 6 & 7
		26	Lots 1, 4 & 7
		29	Lots 3, 4 & 5, NE¼ of SW¼, NW¼ of SW¼
		30	N½ & SW¼, W½ of SE¼, SE¼ of SE¼
		31	S½ & NW¼ & SW¼ of NE¼ & NW¼ of NE¼
		32	NW¼ of SW¼, SW¼ of SW¼, SE¼ of SW¼, Lot 7
		35	SW¼ of SW¼, NW¼ of SW¼, SE¼ of NW¼, SE¼ of NW¼, SW¼ of NE¼, Lots 2 & 3 & Tract 210
15	13	3	Lots 1 & 2
		4	Lots 1 & 2
		5	Lots 1, 2 & 6
		6	SE¼ of NE¼ & NE¼ of SW¼ & NW¼ of SE¼ & Lots 7 & 8
		7	Lot 3 & Tract 83 & Tract 115 & Tract 113 Tract 149
		16	Lots 4 & 5 & SE¼ of NW¼
		Tract 199	NE¼ & S½ of NW¼ & NW¼ of NW¼ & NE¼ of SW¼
15	15	19	Lots 14 & 24
15	16	1	All
		2	Lots 8 & 9, E½ & E½ of NW¼ & E½ of SW¼
		4	Lots 9, 10 & 13 & SW¼ of NW¼
		5	Lots 2, 4, 16, 17 & 19 & SE¼ of NE¼
		11	Lots 1, 5, 6, 8, 10 & 13, E½ of NE¼, NW¼ of NE¼, NE¼ of NW¼, E½ of SE¼
		12	N½ of SW¼
		13	All
		14	E½ of NE¼ & SE¼ & Lots 1, 6 & 8
		16	Lots 1, 10 & 30
		23	E½ of SE¼ & NE¼
		24	All

Twp. S.	Rg. E.	Sec.	Description of
15	16	25	All
		26	E½ of NE¼, W½ of NE¼, E½ of NW¼, W½ of SW¼,
		Tract 83	E½ & E¼ of NW¼
		Tract 84	All
15	17	1	All
		2	All
		3	All
		4	All
		5	All
		6	All
		7	All
		8	All
		9	All
		10	All
		11	All
		12	All
		13	All
		14	All
		15	All
		17	All
		18	All
		19	All
		20	All
		21	All
		22	All
		23	All
		24	All
		25	All
		26	All
		27	All
		28	All
		29	All
		30	All
		31	All
		32	All
		33	All
		34	All
		35	All
15	18	2	SW¼ of SW¼
		3	S½ & NW¼ & W½ of NE¼
		4	All
		5	All
		6	All
		7	All
		8	All
		9	All
		10	All
		11	W½ & SE¼, SW¼ of NE¼
		12	SW¼ of SW¼
		13	W½ & S½ of NE¼ & SE¼
		14	All
		15	All
		17	All
		18	All
		19	All
		20	All
		21	All
		22	All
		23	All
		24	All
		25	All
		26	All
		27	All
		28	All
		29	All
		30	All
		31	All
		32	All
		33	All
		34	All
		35	All
15	19	11	SE¼
		12	SW¼ of SW¼
		13	S½ & NW¼ & S½ of NE¼ & NW¼ of NE¼
		14	NE¼ of NE¼
		18	W½ of SW¼ & SE¼ of SW¼
		19	All
		20	S½ of SW¼ & NW¼ of SW¼ & SW¼ of NW¼
		24	N½ & N½ of SE¼
		28	SW¼ of SW¼
		29	W½ & SE¼ & W½ of NE¼ & SE¼ of NE¼
		30	All
		31	All
		32	All
		33	W½ & W½ of SE¼ & SE¼ of SE¼
15	20	18	W½ of SW¼ & SE¼ of SW¼
		19	All

Twp. S.	Rg. E.	Sec.	Description of
15	20	20	SW¼ & S½ of SE¼ & NW¼ of SE¼ & S½ of NW¼
		27	SW¼ of SE¼ & SW¼
		28	S½ & SW¼ of NE¼ & NE¼ of NW¼ & S½ of NW¼ & NW¼ of NW¼
		29	All
		30	NE¼ & NE¼ of NW¼ & E½ of SE¼
		32	All
		33	All
		34	SW¼
		35	SW¼ of SE¼
16	11	1	N½ & SE¼
		2	N½ & SW¼
		3	All
		4	All
		5	All
		8	N½ of NE¼ & S½ of SE¼ & S½ of SW¼
		9	All
		10	All
		11	N½ & SW¼
		12	N½ of NE¼ & SW¼ of NE¼ & W½ of SE¼ & NW¼
		13	All
		14	All
		15	All
		17	NE¼ & NE¼ of SE¼ & NE¼ of NW¼
		21	NE¼ & NE¼ of NW¼ & NE¼ of SE¼
		22	All
		23	All
		24	W½
		25	N½ of NE¼ & SE¼ of NE¼
16	12	2	Lot 4
		3	Lot 4
		5	SW¼ of NW¼ & Lot 3 & SW¼ of SW¼
		6	Lots 3, 4, 5 & 6 & S½ of SE¼ & SE¼ of NW¼ & NE¼ of SW¼
		10	NE¼ of NE¼ & SE¼ NE¼ & Lot 2
		11	Lot 3
16	12	16	Lot 1
		18	Lots 1, 2, 3 & 4
		19	NW¼ of NE¼ & SE¼ & Lot 4 & SE¼ of SW¼
		22	Lot 2
		29	Lots 3 & 4 & S½ of NW¼ & SW¼ & S½ of SE¼
		Tract 58	All (See Sec. 23)
			W½ (See Sec. 14)
		Tract 63	
		Tract 74	NW¼ (See Sec. 15)
		30	N½ & SE¼ & NE¼ of SW¼
		31	NE¼ of NE¼
		32	N½ & NE¼ of SE¼
		33	E½ of NE¼ & NW¼ of NW¼ & S½ of NW¼ & SW¼ of NE¼ & NE¼ of SE¼ & SE¼ & NE¼ of NW¼
		34	S½ of SE¼ & S½ of SW¼ & NW¼ of SW¼
16	13	30	Lot 26
		32	Lot 27
		33	Lot 20
		35	Lots 28, 31 & 33
		36	Lot 53
		Tract 152	N 41.03 Acres (See Lots 2 & 3 Sec. 28 & Lots 30 & 32 Sec. 21)
		Tract 198	SE¼ (See Sec. 20)
16	15	26	W½ of SE¼ & E½ of SW¼
		34	SE¼ of SE¼ & NE¼ of SE¼
		35	Lots 1, 2, 3, 8, 9, 10, 11, 12 & 13 & SE¼ of NE¼ & E½ of SE¼ & SW¼ of NE¼ & SW¼ of SE¼ & NW¼ of SE¼ & Lots 6 & 7
		36	Lots 6, 7, 8 & 9
16	16	1	Lots 4, 5, 6, 7, 8 & 11 & E½ & E½ of W½
		2	NW¼ of SW¼
		3	NW¼ of SE¼ & NE¼ of SE¼

Twp. S.	Rg. E.	Sec.	Description of
16	16	12	NE¼ & SE½ & E½ of NW¼
		13	Lot 1, 12 & 14 & E½ of NE¼ & E½ of SE¼ & SW¼ of SE¼
		24	NE¼ & SE¼
		25	NE¼ of NE¼, NW¼ of NE¼, SE¼ of NE¼, SW¼ of NE¼, NE¼ of NW¼, SE¼ of NW¼, NW¼ of SE¼, SE¼ of SE¼, NE¼ of SE¼, SW¼ of SE¼, NW¼ of SW¼, NE¼ of SW¼, SE¼ of SW¼
		26	NE¼ of SE¼
		Tract 82	W 568.8 ft. of E 1137.6 ft (W½ Lots 2, 11 & 13, Sec. 13-16-16)
			E 568.8 ft. (E½ Lots 2, 11 & 13, Sec. 13-16-16)
16	17	1	All
		2	All
		3	All
		4	All
		5	All
		6	All
		7	All
		8	All
		9	All
		10	All
		11	All
		12	All
		13	All
		14	All
		15	All
		17	All
		18	All
		19	All
		20	All
		21	All
		22	All
		23	All
		24	All
		25	All
		26	All
		27	All
		28	All
		29	All
		30	All
		31	All
		32	All
		33	All
		34	All
		35	All
16	18	1	All
		2	All
		3	All
		4	All
		5	All
		6	All
		7	All
		8	All
		9	All
		10	All
		11	All
		12	All
		13	All
		14	All
		15	All
		17	All
		18	All
		19	All
		20	All
		21	All
		22	All
		23	All
		24	All
		25	All
		26	All
		27	All
		28	All
		29	All
		30	All
		31	All
		32	All
		33	All
		34	All
		35	All
16	19	3	W½ of NW¼ & SW¼ & SW¼ of SE¼
		4	All
		5	All
		6	All
		7	All
		8	All
		9	All
		10	All
		11	SW¼ & SW¼ of SE¼ & SW¼ of NW¼
		13	W½ of SW¼ & SE¼ of SW¼

Twp. S.	Rg. E.	Sec.	Description of
16	19	14	All
		15	All
		17	All
		18	All
		19	All
		20	All
		21	All
		22	All
		23	All
		24	W½ & SE¼ & W½ of NE¼
		25	All
		26	All
		27	All
		28	All
		29	All
		30	All
		31	All
		32	All
		33	All
		34	All
		35	All
16	20	1	SW¼ of NW¼ & S½
		2	All
		3	All
		4	All
		5	NE¼ of NE¼
		9	NE¼ & N½ of SE¼ & E½ of NW¼, NE¼ of SW¼
		10	All
		11	All
		12	All
		13	All
		14	E½ & NW¼ & NE¼ of SW¼
		15	N½ of NE¼
		19	SW¼ of SW¼
		23	NE¼ of NE¼
		24	N½ & SE¼ & NE¼ of SW¼
		25	NE¼ of NE¼
		30	W½ of SE¼ & SE¼ of SE¼ & W½
		31	All
		32	W½ of NW¼ & SW¼ of SE¼ & SW¼
16	21	6	S½ of SE¼
		8	SE¼ & NW¼
		9	SW¼ & S½ of NW¼
		17	NE¼ & NE¼ of SE¼
16	21	20	NW¼ of SW¼ & S½ of SW¼ & NE¼
		29	W½ & NE¼
		30	E½ & NW¼ & NE¼ of SW¼
		31	NE¼ of NE¼
		32	NW¼
16½	12	2	Lots 4, 5, 6, 7, 8, 9, 10 & 11
		3	All
		4	Lots 1, 2, 3, 7, 8, 9 & 10 & NE¼ of SE¼
17	12	1	All
		2	E½ & N½ of NW¼ & SW¼ of NW¼
		11	E½ of NE¼
		12	All
		13	NE¼ & NE¼ of SE¼ & NE¼ of NW¼
17	13	6	W½ of SW¼
		7	NW¼
		17	S½ of NW¼ & NE¼ of SW¼ & W½ of SW¼
		18	SE¼ of NE¼ & SW¼ of NE¼, SE¼ & SW¼ & S½ of NW¼
		19	E½ & E½ of NW¼
		20	NW¼ & NW¼ of SW¼ & Lot 1
17	15	1	SW¼ of SW¼ & NW¼ of SW¼ & SE¼ of SW¼ & Lots 8, 15, 16, 17 & 18
		2	Lot 7
		12	NW¼ of NW¼ & NE¼ of NW¼ & SW¼ of NW¼ & SE¼ of NW¼
17	16	1	SE¼
		11	Lot 17
		12	NE¼ & NW¼ & NE¼ of SE¼, NW¼ of SE¼ & NE¼ of SW¼ & NW¼ of SW¼ & Lots 1, 2 & 3 & SW¼ of SW¼
17	17	1	All
		2	All
		3	All
		4	All
		5	All

Twp. S.	Rg. E.	Sec.	Description of
17	17	6	NE¼ & S½
		7	All
		8	All
		9	All
		10	All
		11	All
		12	All
17	18	1	All
		2	All
		3	All
		4	All
		5	All
		6	All
		7	All
		8	All
		9	All
		10	All
		11	All
17	19	1	All
		2	All
		3	All
		4	All
		5	All
		6	All
17	20	4	W½
		5	All
		6	All

[ITEM 14]

BOULDER CANYON PROJECT

CONTRACT FOR DELIVERY OF WATER

THE UNITED STATES

AND

PALO VERDE IRRIGATION DISTRICT

FEBRUARY 7, 1933

(1) THIS CONTRACT, made this 7th day of February, nineteen hundred thirty-three, pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), and acts amendatory thereof of supplementary thereto, all of which acts are commonly known and referred to as the reclamation law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat. 1057), designated the Boulder Canyon Project Act, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by Ray Lyman Wilbur, Secretary of the Interior, hereinafter styled the Secretary, and PALO VERDE IRRIGATION DISTRICT, an irrigation district created, or-

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ganized and existing under and by virtue of an act of the Legislature of the States of California approved June 21 1923 (Chapter 452, Statutes of California, 1923), as amended, known as and designated "Palo Verde irrigation district act," with its principal office at Blythe, Riverside County, California, hereinafter referred to as the District;

WITNESSETH:

EXPLANATORY RECITALS

(2) WHEREAS, for the purpose of controlling the floods, improving navigation and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters for reclamation of public lands and other beneficial uses exclusively within the United States, the Secretary, subject to the terms of the Colorado River Compact, is authorized to construct, operate and maintain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon, adequate to create a storage reservoir of a capacity of not less than twenty million acre-feet of water; and

(3) WHEREAS, after full consideration of the advantages of both the Black Canyon and Boulder Canyon dam sites, the Secretary has determined upon Black Canyon as the site of the aforesaid dam, hereinafter styled the Hoover Dam, creating thereby a reservoir to be hereinafter styled the Boulder Canyon Reservoir; and

(4) WHEREAS, the District is desirous of entering into a contract for the delivery to it of water from Boulder Canyon Reservoir, and it is to the mutual interest of the parties hereto that such contract be executed and the rights of the District in and to waters of the river be hereby defined.

(5) NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to wit:

DELIVERY OF WATER BY UNITED STATES

(6) The United States shall, from storage available in the Boulder Canyon Reservoir, deliver to the District each year at a point in the Colorado River immediately above the District's point of diversion known as Blythe Intake, (or as relocated within two miles of the present intake) so much water as may be necessary to supply the District a total quantity, including all other waters diverted for use of the District from the Colorado River, in the amounts and with priorities in accordance with the recommendation of the Chief of the Division of Water Resources of the State of California, as follows: (Subject to availability thereof for use in California under the Colorado River Compact and the Boulder Canyon Project Act):

> The waters of the Colorado River available for use within the State of California under the Colorado River Compact and the Boulder Canyon Project Act shall be apportioned to the respective interests below named and in amounts and with priorities therein named and set forth, as follows:

SECTION 1. A first priority to Palo Verde Irrigation District for beneficial use exclusively upon lands in said District as it now exists and upon lands between said District and the Colorado River, aggregating (within and without said District) a gross area of 104,500 acres, such waters as may be required by said lands.

SECTION 2. A second priority to Yuma Project of United States Bureau of Reclamation for beneficial use upon not exceeding a gross area of 25,000 acres of land located in said project in California, such waters as may be required by said lands.

SECTION 3. A third priority (a) to Imperial Irrigation District and other lands under or that will be served from the All American Canal in Imperial and Coachella Valleys, and (b) to Palo Verde Irrigation District for use exclusively on 16,000 acres in that area known as the "Lower Palo Verde Mesa," adjacent to Palo Verde Irrigation District, for beneficial consumptive use, 3,850,000 acre feet of water per annum less the beneficial consumptive use under the priorities designated in Sections 1 and 2 above. The rights designated (a) and (b) in this section are equal in priority. The total beneficial consumptive use under priorities stated in Sections 1, 2, and 3 of this article shall not exceed 3,850,000 acre feet of water per annum.

SECTION 4. A fourth priority to the Metropolitan Water District of Southern California and/or the City of Los Angeles, for beneficial consumptive use, by themselves and/or others, on the Coastal Plain of Southern California, 550,000 acre feet of water per annum.

SECTION 5. A fifth priority, (a) to The Metropolitan Water District of Southern California and/or the City of Los Angeles, for beneficial consumptive use, by themselves and/or others, on the Coastal Plain of Southern California, 550,000 acre feet of water per annum and (b) to the City of San Diego and/or County of San Diego, for beneficial consumptive uses, 112,000 acre feet of water per annum. The rights designated (a) and (b) in this section are equal in priority.

SECTION 6. A sixth priority (a) to Imperial Irrigation District and other lands under or that will be served from the All American Canal in Impreial and Coachella Valleys, and (b) to Palo Verde Irrigation District for use exclusively on 16,000 acres in that area known as the "Lower Palo Verde Mesa," adjacent to Palo Verde Irrigation District, for beneficial consumptive use, 300,000 acre feet of water per annum. The rights designated (a) and (b) in this section are equal in priority.

SECTION 7. A seventh priority of all remaining water available for use within California, for agricultural use in the Colorado River Basin in California, as said basin is designated on Map No. 23000 of the Department of the Interior, Bureau of Reclamation.

SECTION 8. So far as the rights of the allottees named above are concerned, The Metropolitan Water District of Southern California and/or the City of Los Angeles shall have the exclusive right to withdraw and divert into its aqueduct any water in Boulder Canyon Reservoir accumulated to the individual credit of said District and/or said City (not exceeding at any one time 4,750,000 acre feet in the aggregate) by reason of reducing diversions by said District and/or said City; provided, that accumulations shall be subject to such conditions as to accumulation, retention, release and withdrawal as the Secretary of the Interior may from time to time prescribe in his discretion, and his determination thereof shall be final; provided further, that the United States of America reserves the right to make similar arrangements with users in other States without distinction in priority, and to determine the correlative relations between said District and/or said City and such users resulting therefrom.

SECTION 9. In addition, so far as the rights of the allottees named above are concerned, the City of San Diego and/or County of San Diego shall have the exclusive right to withdraw and divert into an aqueduct any water in Boulder Canyon Reservoir

accumulated to the individual credit of said City and/or said County (not exceeding at any one time 250,000 acre-feet in the aggregate) by reason of reduced diversions by said City and/or said County; provided, that accumulations shall be subject to such conditions as to accumulations, retention, release and withdrawal as the Secretary of the Interior may from time to time prescribe in his discretion, and his determination thereof shall be final; provided further, that the United States of America reserves the right to make similar arrangements with users in other States without distinction in priority, and to determine the correlative relations between the said City and/or said County and such users resulting therefrom.

SECTION 10. In no event shall the amounts allotted in this agreement to The Metropolitan Water District of Southern California and/or the City of Los Angeles be increased on account of inclusion of a supply for both said District and said City, and either or both may use said apportionments as may be agreed by and between said District and said City.

SECTION 11. In no event shall the amounts allotted in this agreement to the City of San Diego and/or to the County of San Diego be increased on account of inclusion of a supply for both said City and said County, and either or both may use said apportionments as may be agreed by and between said City and said County.

SECTION 12. The priorities hereinbefore set forth shall be in no wise affected by the relative dates of water contracts executed by the Secretary of the Interior with the various parties.

The Secretary reserves the right to, and the District agrees that he may, contract with any of the allottees above named in accordance with the above stated recommendation. The District reserves the right to establish, at any time, by judicial determination, its rights to divert and/or use water from the Colorado River. In the event the above stated recommendation as to the District is superseded by an agreement between all the above allottees or by a final judicial determination, the parties hereto reserve the right to further contract in accordance with such agreement or such judicial determination; *Provided,* That priorities numbered fourth and fifth shall not thereby be disturbed.

As far as reasonable diligences will permit said water shall be delivered as ordered by the District, and as reasonably required for potable and irrigation purposes within the areas for which the District is allotted water as described in the above stated recommendation. This contract is for permanent water service but is subject to the condition that Hoover Dam and Boulder Canyon Reservoir shall be used; First, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of perfected rights in pursuance of Article VIII of the Colorado River Compact; and third, for power. This contract is made upon the express condition and with the express covenant that the District and the United States shall observe and be subject to, and controlled by said Colorado River Compact in the construction, management and operation of Hoover Dam, and other works and the storage, diversion, delivery and use of water for the generation of power, irrigation, and other purposes. The United States reserves the right to temporarily discontinue or reduce the amount of water to be delivered for the purpose of investigation, inspection, maintenance, repairs, replacements or installation of

equipment and/or machinery at Hoover Dam, but as far as feasible the United States will give the District reasonable notice in advance of such temporary discontinuance or reduction. The United States, its officers, agents and employees shall not be liable for damages when, for any reason whatsoever, suspension or reductions in delivery of water occur. This contract neither prejudices nor admits any claim of the District on account of alleged changes in elevation of the river bed howsoever caused, or the effect of such alleged changes on the District's diversion of water delivered hereunder. This contract is without prejudice to any other or additional rights which the District may now have not inconsistent with the foregoing provisions of this article, or may hereafter acquire in or to the waters of the Colorado River.

RECEIPT OF WATER BY DISTRICT

(7) The District shall receive the water to be delivered to it by the United States under the terms hereof at the point of delivery above stated, and shall at its own expense convey such water to its distribution system, and shall perform all acts required by law or custom in order to maintain its control over such water and to secure and maintain its lawful and proper diversion from the Colorado River.

MEASUREMENT OF WATER

(8) The water to be delivered hereunder shall be measured at Blythe Intake by such measuring and controlling devices or such automatic gauges or both, as shall be satisfactory to the Secretary. Said measuring and controlling devices, or automatic gauges, shall be furnished, installed and maintained by and at the expense of the District, but they shall be and remain at all times under the complete control of the United States, whose authorized representatives may at all times have access to them over the lands and rights-of-way of the Districts.

RECORD OF WATER DIVERTED

(9) The District shall make full and complete written reports as directed by the Secretary, on forms to be supplied by the United States, of all water diverted from the Colorado River, and the disposition thereof. The records and data from which such reports are made shall be accessible to the United States on demand of the Secretary.

NO CHARGE FOR DELIVERY OF WATER

(10) The District shall not be required to pay to the United States any tolls, rates or charges of any kind for or on account of the storage or delivery of water hereunder.

INSPECTION BY THE UNITED STATES

(11) The Secretary or his representatives, shall at all times have the right of ingress to and egress from all works of the District for the purpose of inspection, repairs and maintenance of works of the United States, and for all other proper purposes. The Secretary or his representative shall also have free access at all reasonable times to the books and records of the District relating to the diversion and distribution of water delivered to it hereunder with the right at any time during office hours to make copies of or from the same.

DISPUTES OR DISAGREEMENTS

(12) Disputes or disagreements as to the interpretation or performance of the provisions of this contract shall be determined either by arbitration or court proceedings, the Secretary being authorized to act for the United States in such proceedings. Whenever a controversy arises out of this contract, and the parties hereto agree to submit the matter to arbitration, the District shall name one arbitrator and the Secretary shall name one arbitrator, and the two arbitrators thus chosen shall elect three other arbitrators, but in the event of their failure to name all or any of the three arbitrators within thirty (30) days after their first meeting, such arbitrators not so elected, shall be named by the Senior Judge of the United States Circuit Court of Appeals for the Ninth Circuit. The decision of any three of such arbitrators shall be a valid and binding award of the arbitrators.

RULES AND REGULATIONS

(13) There is reserved to the Secretary the right to prescribe and enforce rules and regulations not inconsistent with this contract, governing the diversion and delivery of water hereunder to the District and to other contractors. Such rules and regulations may be modified, revised and/or extended from time to time after notice to the District and opportunity for it to be heard, as may be deemed proper, necessary or desirable by the Secretary to carry out the true intent and meaning of the law and of this contract, or amendments thereof, or to protect the interests of the United States. The District hereby agrees that in the operation and maintenance of its diversion works at Blythe Intake, all such rules and regulations will be fully adhered to.

AGREEMENT SUBJECT TO COLORADO RIVER COMPACT

(14) This contract is made upon the express condition and with the express understanding that all rights based upon this contract shall be subject to and controlled by the Colorado River Compact, being the compact or agreement signed at Santa Fe, New Mexico, November 24, 1922, pursuant to Act of Congress approved August 19, 1921, entitled "An Act to permit a compact

or agreement between the States of Arizona, California, Colorado, Nevada, New Mexico, Utah and Wyoming, respecting the disposition and apportionment of the waters of the Colorado River, and for other purposes", which compact was approved by the Boulder Canyon Project Act.

PRIORITY OF CLAIMS OF THE UNITED STATES

(15) Claims of the United States arising out of this contract shall have priority over all others, secured and unsecured.

CONTINGENT UPON APPROPRIATIONS

(16) This contract is subject to appropriations being made by Congress from year to year of moneys sufficient to do the work contemplated hereby, and to there being sufficient moneys available in the Colorado River Dam Fund to permit allotments to be made for the performance of such work. No liability shall accrue against the United States, its officers, agents, or employees, by reason of sufficient moneys not being so appropriated nor on account of there not being sufficient moneys in the Colorado River Dam Fund to permit of said allotments. This agreement is also subject to the condition that if for any reason construction of Hoover Dam is not prosecuted to completion with reasonable diligence, then and in such event either party hereto may terminate its obligations hereunder upon one (1) year's written notice to the other party hereto.

RIGHTS RESERVED UNDER SECTION 3737 REVISED STATUTES

(17) All rights of action for breach of any of the provisions of this contract are reserved to the United States as provided in Section 3737 of the Revised Statutes of the United States.

REMEDIES UNDER CONTRACT NOT EXCLUSIVE

(18) Nothing contained in this contract shall be construed as in any manner abridging, limiting, or depriving the United States or the District of any means of enforcing any remedy at law or in equity for the breach of any of the provisions hereof which it would otherwise have. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any other provision hereof or of a subsequent breach of such provision.

INTEREST IN CONTRACT NOT TRANSFERABLE

(19) No interest in this agreement is transferable, and no sublease shall be made, by the District without the written consent of the Secretary, and any such attempted transfer or sub-lease shall cause this contract to become subject to annulment, at the option of the United States.

MEMBER OF CONGRESS CLAUSE

(20) No member of or Delegate to Congress or Resident Commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom. Nothing, however, herein contained shall be construed to extend to this contract if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By RAY LYMAN WILBUR,
Secretary of the Interior.

Attest:
NORTHCUTT ELY,
RICHARD J. COFFEY.

PALO VERDE IRRIGATION DISTRICT,
By L. H. HAUSER, *President*

[SEAL]

Attest:
O. W. MALMGREN,
Assistant Secretary.

Approved as to form: Feb. 7, 1933.
RAY LYMAN WILBUR,
Secretary of the Interior.

STATE OF CALIFORNIA,
County of Riverside, } ss:

I, O. W. Malmgren, do hereby certify that I am the Assistant Secretary of the Palo Verde Irrigation District; that the attached is a true copy of a resolution adopted at a regular meeting of the Board of Trustees of said District, held on February 14, 1933, at which meeting all Trustees of said District were present and acting; that the vote on the attached copy of said resolution was, ayes 6 noes 1.

In witness whereof, I have hereunto set my hand this 23d day of February 1933.

O. W. MALMGREN,
Assistant Secretary,
Palo Verde Irrigation District.

[SEAL]

RESOLVED by the Board of Trustees of PALO VERDE IRRIGATION DISTRICT:

THAT, WHEREAS, There has been submitted to this Board a form of contract between this District and the United States of America, acting for this purpose by Ray Lyman Wilbur, Secretary of the Interior, providing for the delivery of water from the Colorado River by the United States to this District, said form of contract being dated the 7th day of February, 1933, approved as to form by said Secretary on February 7th, 1933; and

WHEREAS, A true copy of said form of contract is attached to the minutes of this meeting and forms pages 71 to 82 inclusive of this minute book; and

WHEREAS, It appears to this Board that it is to the interest of this District to execute said contract with the United States;

NOW, THEREFORE, IT IS HEREBY RESOLVED that the President of this Board is hereby authorized and directed to execute said contract, and the Assistant Secretary is hereby authorized and directed to attest the same and affix thereon the Official Seal of the District.

[ITEM 15]

BOULDER CANYON PROJECT

CONTRACT FOR DELIVERY OF WATER

THE UNITED STATES

AND

THE CITY OF SAN DIEGO

FEBRUARY 15, 1933

(11r–713)

(1) THIS CONTRACT, made this 15th day of February nineteen hundred thirty-three, pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the reclamation law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat. 1057), designated the Boulder Canyon Project Act, between THE UNITED

STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by Ray Lyman Wilbur, Secretary of the Interior, hereinafter styled the Secretary, and THE CITY OF SAN DIEGO, a municipal corporation of the State of California, hereinafter styled the City, organized under a freeholders' charter;

WITNESSETH:

EXPLANATORY RECITALS

(2) WHEREAS, for the purpose of controlling the floods, improving navigation and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters for reclamation of public lands and other beneficial uses exclusively within the United States, the Secretary, subject to the terms of the Colorado River Compact, is authorized to construct, operate and maintain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon, adequate to create a storage reservoir of a capacity of not less than twenty million acre-feet of water, and a main canal and appurtenant structures located entirely within the United States connecting the Laguna Dam, or other suitable diversion dam with the Imperial and Coachella Valleys in California; and

(3) WHEREAS, the United States contemplates entering into an agreement with Imperial Irrigation District, an irrigation district organized and existing under and by virtue of the laws of the State of California, providing, among other things, for the construction of a main canal and appurtenant structures, authorized as aforesaid, and reserving under conditions to be therein stated, the right to increase the capacity of said works and to contract for such increased capacity with other agencies for the delivery of water for use within the United States; and

(4) WHEREAS, the United States and the City contemplate hereafter entering into a contract by which provision will be made for increasing, for the City's benefit and at its cost, the capacity of the main canal and appurtenant works to be constructed for Imperial Irrigation District, as aforesaid; and

(5) WHEREAS, the City is desirous of entering into a contract for the delivery to it of water from Boulder Canyon Reservoir;

(6) NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to wit:

DELIVERY OF WATER BY UNITED STATES

(7) The United States shall, from storage available in the reservoir created by Hoover Dam, deliver to the City each year at a point in the Colorado River immediately above Imperial Dam, so much water as may be necessary to supply the City a total quantity, including all other waters diverted

by the City from the Colorado River, in the amounts and with priorities in accordance with the recommendation of the Chief of the Division of Water Resources of the State of California, as follows (subject to the availability thereof for use in California under the Colorado River Compact and the Boulder Canyon Project Act):

The waters of the Colorado River available for use within the State of California under the Colorado River Compact and the Boulder Canyon Project Act shall be apportioned to the respective interests below named and in amounts and with priorities therein named and set forth, as follows:

SECTION 1. A first priority to Palo Verde Irrigation District for beneficial use exclusively upon lands in said District as it now exists and upon lands between said District and the Colorado River, aggregating (within and without said District) a gross area of 104,500 acres, such waters as may be required by said lands.

SECTION 2. A second priority to Yuma Project of the United States Bureau of Reclamation for beneficial use upon not exceeding a gross area of 25,000 acres of land located in said project in California, such waters as may be required by said lands.

SECTION 3. A third priority (a) to Impreial Irrigation District and other lands under or that will be served from the All-American Canal in Imperial and Coachella Valleys, and (b) to Palo Verde Irrigation District for use exclusively on 16,000 acres in that area known as the "Lower Palo Verde Mesa," adjacent to Palo Verde Irrigation District, for beneficial consumptive use, 3,850,000 acre-feet of water per annum less the beneficial consumptive use under the priorities designated in Sections 1 and 2 above. The rights designated (a) and (b) in this section are equal in priority. The total beneficial consumptive use under priorities stated in Sections 1, 2 and 3 of this article shall not exceed 3,850,000 acre-feet of water per annum.

SECTION 4. A fourth priority to the Metropolitan Water District of Southern California and/or the City of Los Angeles, for beneficial consumptive use, by themselves and/or others, on the Coastal Plain of Southern California, 550,000 acre-feet of water per annum.

SECTION 5. A fifth priority (a) to The Metropolitan Water District of Southern California and/or the City of Los Angeles, for beneficial consumptive use, by themselves and/or others, on the Coastal Plain of Southern California, 550,000 acre-feet of water per annum and (b) to the City of San Diego and/or County of San Diego, for beneficial consumptive use, 112,000 acre-feet of water per annum. The rights designated (a) and (b) in this section are equal in priority.

SECTION 6. A sixth priority (a) to Imperial Irrigation District and other lands under or that will be served from the All-American Canal in Imperial and Coachella Valleys, and (b) to Palo Verde Irrigation District for use exclusively on 16,000 acres in that area known as the "Lower Palo Verde Mesa," adjacent to Palo Verde Irrigation District, for beneficial consumptive use, 300,000 acre-feet of water per annum. The rights designated (a) and (b) in this section are equal in priority.

SECTION 7. A seventh priority of all remaining water available for use within California, for agricultural use in the Colorado River Basin in California, as said basin is designated on Map No. 23000 of the Department of the Interior, Bureau of Reclamation.

SECTION 8. So far as the rights of the allottees named above are concerned, the Metropolitan Water District of Southern California and/or the City of Los Angeles shall have the exclusive right to withdraw and divert into its aqueduct any water in

Boulder Canyon Reservoir accumulated to the individual credit of said District and/or said City (not exceeding at any one time 4,750,000 acre-feet in the aggregate) by reason of reduced diversions by said District and/or said City; provided, that accumulations shall be subject to such conditions as to accumulation, retention, release and withdrawal as the Secretary of the Interior may from time to time prescribe in his discretion, and his determination thereof shall be final; provided further, that the United States of America reserves the right to make similar arrangements with users in other States without distinction in priority, and to determine the correlative relations between said District and/or said City and such users resulting therefrom.

SECTION 9. In addition, so far as the rights of the allottees named above are concerned, the City of San Diego and/or County of San Diego shall have the exclusive right to withdraw and divert into an aqueduct any water in Boulder Canyon Reservoir accumulated to the individual credit of said City and/or said County (not exceeding at any one time 250,000 acre-feet in the aggregate) by reason of reduced diversions by said City and/or said County; provided, that accumulations shall be subject to such conditions as to accumulations, retention, release and withdrawal as the Secretary of the Interior may from time to time prescribe in his discretion, and his determination thereof shall be final; provided further, that the United States of America reserves the right to make similar arrangements with users in other States without distinction in priority, and to determine the correlative relations between the said City and/or said County and such users resulting therefrom.

SECTION 10. In no event shall the amounts allotted in this agreement to the Metropolitan Water District of Southern California and/or the City of Los Angeles be increased on account of inclusion of a supply for both said District and said City, and either or both may use said apportionments as may be agreed by and between said District and said City.

SECTION 11. In no event shall the amounts allotted in this agreement to the City of San Diego and/or to the County of San Diego be increased on account of inclusion of a supply for both said City and said County, and either or both may use said apportionments as may be agreed by and between said City and said County.

SECTION 12. The priorities hereinbefore set forth shall be in no wise affected by the relative dates of water contracts executed by the Secretary of the Interior with the various parties.

The Secretary reserves the right to, and the District agrees that he may, contract with any of the allottees above named in accordance with the above stated recommendation, or, in the event that such recommendation as to Palo Verde Irrigation District is superseded by an agreement between all the above allottees or by a final judicial determination, to contract with the Palo Verde Irrigation District in accordance with such agreement or determination; provided, that priorities numbered fourth and fifth shall not thereby be disturbed.

Said water shall be delivered continuously as far as reasonable diligence will permit, but the United States shall not be obligated to deliver water to the City when for any reason such delivery would interfere with the use of Hoover Dam and Boulder Canyon Reservoir for river regulation, improvement of navigation, flood control, and/or satisfaction of perfected rights, in or to the waters of the Colorado River, or its tributaries, in pursuance of Article VIII of the Colorado River Compact, and this contract is made upon the express condition and with the express covenant that the right of the City to waters of the Colorado River, or its tributaries, is subject to and controlled

by the Colorado River Compact. The United States reserves the right to discontinue or temporarily reduce the amount of water to be delivered for the purpose of investigation, inspection, maintenance, repairs, replacements or installation of equipment and/or machinery at Hoover Dam, but so far as feasible the United States will give the City reasonable notice in advance of such temporary discontinuance or reduction. The United States, its officers, agents and employees shall not be liable for damages when, for any reason whatsoever, suspensions or reductions in delivery of water occur.

Deliveries hereunder shall be in satisfaction of the allocation to the City and the County of San Diego, and shall be used within the County as the City and the County may agree, or as the State of California may allocate in the event of disagreement between the City and the County.

This contract is for permanent service, but is made subject to the express covenant and condition that in event water is not taken or diverted by the City hereunder within a period of ten (10) years from and after completion of Hoover Dam as announced by the Secretary, it may in such event, upon the written order of the Secretary, and after hearing, become null and void and of no effect.

RECEIPT OF WATER BY CITY

(8) The City shall receive the water to be delivered to it by the United States under the terms hereof at the point of delivery above stated, and shall perform all acts required by law or custom in order to maintain its control over such water and to secure and maintain its lawful and proper diversion from the Colorado River.

MEASUREMENT OF WATER

(9) The water to be delivered hereunder shall be measured by such measuring and controlling devices or such automatic gauges or both, as shall be satisfactory to the Secretary. Said measuring and controlling devices, or automatic gauges, shall be furnished, installed and maintained by and at the expense of the City, but they shall be and remain at all times under the complete control of the United States, whose authorized representatives may at all times have access to them over the lands and rights-of-way of the City.

RECORD OF WATER DIVERTED

(10) The City shall make full and complete written monthly reports as directed by the Secretary, on forms to be supplied by the United States, of all water diverted from the Colorado River. Such reports shall be made by the fifth day of the month immediately succeeding the month in which the water is diverted, and the records and data from which such reports are made shall be accessible to the United States on demand of the Secretary.

CHARGE FOR DELIVERY OF WATER

(11) A charge of twenty-five cents ($0.25) per acre-foot shall be made for water delivered to the City hereunder during the Hoover Dam cost repayment period.

MONTHLY PAYMENTS AND PENALTIES

(12) The City shall pay monthly for all water delivered to it hereunder, or diverted by it from the Colorado River, in accordance with the rate herein in Article eleven (11) established. Payments shall be due on the first of the second month immediately succeeding the month in which water is delivered and/or diverted. If such charges are not paid when due, a penalty of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional penalty of one per centum (1%) of the amount unpaid shall be added on the first day of each calendar month during such delinquency.

REFUSAL OF WATER IN CASE OF DEFAULT

(13) The United States reserves the right to refuse to deliver water to the City in the event of default for a period of more than twelve (12) months in any payment due or to become due the United States under this contract.

INSPECTION BY THE UNITED STATES

(14) The Secretary or his representatives, shall at all times have the right of ingress to and egress from all works of the City for the purpose of inspection, repairs and maintenance of works of the United States, and for all other proper purposes. The Secretary or his representatives shall also have free access at all reasonable times to the books and records of the City relating to the diversion and distribution of water delivered to it hereunder with the right at any time during office hours to make copies of or from the same.

DISPUTES OR DISAGREEMENTS

(15) Disputes or disagreements as to the interpretation or performance of the provisions of this contract shall be determined either by arbitration or court proceedings, the Secretary of the Interior being authorized to act for the United States in such proceedings. Whenever a controversy arises out of this contract, and the parties hereto agree to submit the matter to arbitration, the City shall name one arbitrator and the Secretary shall name one arbitrator, and the two arbitrators thus chosen shall elect three other arbitrators, but in the event of their failure to name all or any of the three arbitrators within five (5) days after their first meeting, such arbitrators, not so elected, shall be named by the Senior Judge of the United States Circuit Court of Appeals for the

ninth Circuit. The decision of any three of such arbitrators shall be a valid and binding award of the arbitrators.

RULES AND REGULATIONS

(16) There is reserved to the Secretary the right to prescribe and enforce rules and regulations governing the delivery and diversion of water hereunder. Such rules and regulations may be modified, revised and/or extended from time to time after notice to the City and opportunity for it to be heard, as may be deemed proper, necessary, or desirable by the Secretary to carry out the true intent and meaning of the law and of this contract, or amendments hereof, or to protect the interests of the United States. The City hereby agrees that in the operation and maintenance of its diversion works and aqueduct, all such rules and regulations will be fully adhered to.

AGREEMENT SUBJECT TO COLORADO RIVER COMPACT

(17) This contract is made upon the express condition and with the express understanding that all rights hereunder shall be subject to and controlled by the Colorado River Compact, being the compact or agreement signed at Santa Fe, New Mexico, November 24, 1922, pursuant to Act of Congress approved August 19, 1921, entitled "An Act to permit a compact or agreement between the States of Arizona, California, Colorado, Nevada, New Mexico, Utah and Wyoming respecting the disposition and apportionment of the waters of the Colorado River, and for other purposes", which Compact was approved in Section 13 (a) of the Boulder Canyon Project Act.

PRIORITY OF CLAIMS OF THE UNITED STATES

(18) Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured.

CONTINGENT UPON APPROPRIATIONS

(19) This contract is subject to appropriations being made by Congress from year to year of moneys sufficient to do the work provided for herein, and to there being sufficient moneys available in the Colorado River Dam Fund to permit allotments to be made for the performance of such work. No liability shall accrue against the United States, its officers, agents, or employees, by reason of sufficient moneys not being so appropriated nor on account of there not being sufficient moneys in the Colorado River Dam Fund to permit of said allotments. This agreement is also subject to the condition that if for any reason construction of Hoover Dam is not prosecuted to completion with reasonable diligence, then and in such event either party hereto may terminate its obligations hereunder upon one (1) year's written notice to the other party hereto.

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RIGHTS RESERVED UNDER SECTION 3737 REVISED STATUTES

(20) All rights of action for breach of any of the provisions of this contract are reserved to the United States as provided in Section 3737 of the Revised Statutes of the United States.

REMEDIES UNDER CONTRACT NOT EXCLUSIVE

(21) Nothing contained in this contract shall be construed as in any manner abridging, limiting or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have.

INTEREST IN CONTRACT NOT TRANSFERABLE

(22) No interest in this agreement is transferable, and no sublease shall be made, by the City without the written consent of the Secretary, and any such attempted transfer or sublease shall cause this contract to become subject to annulment, at the option of the United States.

MEMBER OF CONGRESS CLAUSE

(23) No Member of or Delegate to Congress or Resident Commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom. Nothing, however, herein contained shall be construed to extend to this contract if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By RAY LYMAN WILBUR,
Secretary of the Interior.

Attest:
NORTHCUTT ELY,
RICHARD J. COFFEY.

THE CITY OF SAN DIEGO,
By JOHN F. FORWARD, JR., *Mayor.*

Approved as to form:
C. L. BYERS, *City Attorney.*

Attest:
ALLEN H. WRIGHT, *City Clerk.*

[SEAL]

As evidence of its approval of the foregoing contract between the United States and the City, the County of San Diego has caused the signature of the Chairman of its Board of Supervisors to be affixed thereto.

THE BOARD OF SUPERVISORS OF
SAN DIEGO COUNTY.
By TOM HURLEY, *Chairman.*

Approved as to form: February 7, 1933.
RAY LYMAN WILBUR,
Secretary of the Interior.

Attest:
J. B. MCLEES, *County Clerk.*

[SEAL]

RESOLUTION NO. 59676

BE IT RESOLVED by the Council of the City of San Diego, as follows:

That the Mayor of the City of San Diego be, and he is hereby authorized and directed to execute for and on behalf of The City of San Diego a contract with the United States concerning the delivery of water from Boulder Canyon Reservoir.

BE IT FURTHER RESOLVED that upon execution of said contract the Mayor of The City of San Diego is hereby authorized and directed to deliver the same, on behalf of said City, to the duly authorized representative of the United States.

I HEREBY CERTIFY the above to be a full, true and correct copy of Resolution No. 59676 of the Council of the City of San Diego, as adopted by the said Council February 14, 1933.

ALLEN H. WRIGHT, *City Clerk.*
By CLARKE M. FOOTE, JR., *Deputy.*

[SEAL]

IN THE MATTER OF APPROVING CONTRACT BETWEEN THE CITY OF SAN DIEGO AND THE UNITED STATES FOR DELIVERY OF WATER FROM BOULDER CANYON PROJECT

WHEREAS, THE CITY OF SAN DIEGO has agreed to enter into a contract with the UNITED STATES OF AMERICA for the delivery of water from the Boulder Canyon project to the City of San Diego, and/or the County of San Diego; and

WHEREAS, said contract provides for priorities for beneficial use of said water by THE CITY OF SAN DIEGO and/or the County of San Diego;

NOW, THEREFORE, on motion of Supervisor Hastings, seconded by Supervisor McMullen,

IT IS HEREBY RESOLVED, that THE COUNTY OF SAN DIEGO hereby approves said contract between THE CITY OF SAN DIEGO and THE UNITED STATES OF AMERICA, for the delivery of water from Boulder Canyon Project to said City and/or County, and does hereby authorize the Chairman of the Board of Supervisors, of said County of San Diego, to signify the approval of said contract by said County, by affixing his signature thereto on behalf of the County of San Diego, and does hereby authorize the County Clerk of said County to attest said signature.

PASSED AND ADOPTED by the Board of Supervisors of the County of San Diego, State of California, this 14th day of February, 1933, by the following vote, to-wit:

Ayes: SUPERVISORS, HASTINGS, RICHARDS, TRUSSELL, MCMULLEN AND HURLEY.

Noes: SUPERVISORS, NONE.

Absent: SUPERVISORS, NONE.

J. B. MCLEES,
County Clerk and ex-officio Clerk of the Board of Supervisors.
C. BUCKLEY.

STATE OF CALIFORNIA,
County of San Diego, } ss:

I, J. B. McLEES, County Clerk of the County of San Diego, State of California, and ex-officio Clerk of the Board of Supervisors of said County, certify that I have compared the foregoing copy with the original Resolution now on file in my office; that the same contains a full, true and correct transcript therefrom and of the whole thereof.

WITNESS MY HAND AND THE SEAL of said Board of Supervisors, this 14th day of February, A. D., 1933.

J. B. McLEES, *County Clerk.*
By C. BUCKLEY, *Deputy.*

[SEAL]

[ITEM 16]

BOULDER CANYON PROJECT

AGREEMENT OF COMPROMISE

IMPERIAL IRRIGATION DISTRICT

AND

COACHELLA VALLEY COUNTY WATER DISTRICT

FEBRUARY 14, 1934

SEC. 1. THIS AGREEMENT, Made the 14th day of February, 1934, by and between IMPERIAL IRRIGATION DISTRICT, an irrigation district organized and existing under and by virtue of the California Irrigation District Act of the State of California and acts amendatory thereof or supplementary thereto, with its principal office at El Centro, Imperial County, California, said District being hereinafter sometimes styled "Imperial District", and COACHELLA VALLEY COUNTY WATER DISTRICT, a County Water District organized and existing under and by virtue of the County Water District Act of the State of California and acts amendatory thereof or supplementary thereto, and having its office at Coachella, Riverside County, California, said District being hereinafter sometimes styled "Coachella District",

WITNESSETH:

RECITALS

SEC. 2. THAT, WHEREAS, Pursuant to the terms of the Boulder Canyon Project Act, approved December 21, 1928 (45 Stat. 1057), the Secretary of the Interior is authorized to construct a main canal and appurtenant structures located entirely within the United States, connecting Laguna Dam or other suitable diversion dam, which said Secretary is authorized to construct, with Imperial and Coachella Valleys in California; and

SEC. 3. WHEREAS, The Secretary of the Interior has determined upon engineering and economic considerations to construct a new diversion dam on the Colorado River approximately four and one-half miles above Laguna Dam, which new diversion dam has heretofore been and is designated Imperial Dam; and

SEC. 4. WHEREAS, Pursuant to the Boulder Canyon Project Act, a contract, dated December 1, 1932, hereinafter styled "Imperial Contract", has heretofore been executed between the United States and Imperial District for the construction of said Imperial Dam, main canal and appurtenant structures, which said main canal and appurtenant structures are hereinafter styled "All-American Canal", and for the re-payment of the cost thereof as provided by law; and

SEC. 5. WHEREAS, By said Imperial Contract, certain lands in Coachella Valley, and within Coachella District and lands adjacent to said District may, by petition, be included within the boundaries of Imperial District, and if said lands are not so included, then the works and capacity to serve said lands shall not be constructed under said contract; and

SEC. 6. WHEREAS, Said Coachella District through its Board of Directors has determined that said lands will not become a part of Imperial District pursuant to said contract, and that Coachella District desires to obtain a contract, hereinafter styled "Coachella Contract", with the United States, separately from Imperial District, for capacity in said Imperial Dam and All-American Canal to be provided for the benefit of said Coachella District, in addition to the capacity therein provided for Imperial District, and to pay the proper cost of such capacity; and

SEC. 7. WHEREAS, Under date of August 18, 1931, an agreement was made between certain interested agencies in California, including the parties to this agreement, for the apportionment of the Colorado River water available for use within the State of California under the Colorado River Compact and the Boulder Canyon Project Act, a portion of which agreement is set out in Article 17 of said Imperial Contract as being a recommendation of the Chief of the Division of Water Resources of the State of California; and

SEC. 8. WHEREAS, Water for irrigation and domestic uses in the areas to be served under or from the All-American Canal in Imperial and Coachella Valleys will be supllied pursuant to the third and sixth priorities of said recommenda-

tion of the Chief of the Division of Water Resources of the State of California; and

SEC. 9. WHEREAS, Imperial District has certain prior rights to the use of the waters of the Colorado River, and the extent of said rights is in dispute as between the parties hereto, and each of said parties makes certain claims as to the use of said waters; and

SEC. 10. WHEREAS, The parties hereto, upon their respective contracts with the United States becoming effective and said All-American Canal being constructed, will respectively have certain power possibilities on the All-American Canal, which it is desired to have developed, operated and controlled as a unified project; and

SEC. 11. WHEREAS, Controversy has arisen and now exists between the parties hereto as to the extent and relation of their respective present and future rights to water and power on and from said All-American Canal, which controversy it is desired to have compromised and settled by this agreement;

NOW, THEREFORE, In consideration of the premises and the mutual obligations and covenants of the parties hereto and as a compromise and settlement of their said respective rights, privileges and claims respecting the matters herein contained, it is agreed:

COACHELLA CONTRACT

SEC. 12. Coachella District will forthwith apply to the proper governmental authorities for a contract between itself and the United States for the construction by the United States of the portion of the Imperial Dam and All-American Canal which will serve said District, and for the payment of its proper proportion of construction and other costs and for delivery of water; said contract to be in harmony with the provisions of the Imperial Contract and this agreement. The draft of said proposed Coachella Contract attached hereto and marked "Annex A" has been examined by Imperial District and the substance of said draft is approved by the parties hereto. Imperial District agrees that said draft, or such other draft as may be acceptable to the United States and in harmony with the provisions of the Imperial Contract and of this agreement, may be executed between the Coachella District and the United States. Imperial District will actively assist Coachella District in obtaining execution of such contract by the United States.

VALIDATION ACTION

SEC. 13. That forthwith upon the execution of this agreement Coachella District will cause to be dismissed on behalf of itself and A. B. Cliff, John H. Colbert, R. C. Egnew, J. C. Jones and Washington McIntyre, with the stipulation that remittitur issue forthwith and that each party pay his or its own costs, their appeal now pending in the Supreme Court of California, in that

certain action entitled: "In the Matter of the validation of a Contract Dated Dec. 1, 1932, Entitled 'Contract for Construction of Diversion Dam, Main Canal and Appurtenant Structures, and for Delivery of Water,' between the United States of America and Imperial Irrigation District. John L. Dubois, et al., Plaintiffs and Respondents, vs. All Persons, Defendants; Coachella Valley County Water District et al., Defendants and Appellants", being L. A. No. 14487, and this agreement shall not become effective for any purpose unless and until said appeal is so dismissed on behalf of all of said parties within ten (10) days from the execution hereof. Coachella District will actively assist in bringing said action to an early and final conclusion to the end that the present judgment be sustained.

GENERAL PROVISIONS

SEC. 14. The provisions of this agreement hereinafter set forth shall be effective and binding upon the parties hereto only in the event that the Coachella Contract above mentioned is executed by and between the United States and said Coachella District prior to the transfer of constructed works to Imperial District for operation and maintenance, as provided by said Imperial Contract, and such Coachella Contract prior to such transfer or thereafter becomes binding upon the parties thereto, pursuant to law. After this agreement becomes effective, it, together with the lease herein provided for, shall terminate in the event Coachella District shall be relieved of all obligations under the Coachella Contract, by reason of failure of the United States to complete the works to be constructed thereunder.

WATER

SEC. 15. As a full and complete compromise and settlement of the controversy existing between the parties hereto as to the extent and priority of their respective rights and claims to the use of the waters of the Colorado River, it is agreed, as between said parties, that:

Imperial Irrigation District shall have the prior right for irrigation and potable purposes only, and exclusively for use in the Imperial Service Area, as hereinafter defined, or hereunder modified, to all waters apportioned to said Imperial Irrigation District and other lands under or that will be served from the All-American Canal in Imperial and Coachella Valleys as provided in the third and sixth priorities set out in the recommendation of the chief of the Division of Water Resources of the State of California, as contained in Article 17 of the Imperial Contract. Subject to said prior right of Imperial Irrigation District, Coachella Valley County Water District shall have the next right, for irrigation and potable purposes only and exclusively for use in the Coachella Service Area, as hereinafter defined, or hereunder modified, to all waters so

apportioned to said Imperial Irrigation District and other lands under or that will be served from the All-American Canal in the Imperial and Coachella Valleys, as provided in said third and sixth priorities. The use of water for generation of electric energy shall be, in all respects, secondary and subservient to all requirements of said two districts for irrigation and potable purposes as above limited.

As hereinabove used, the term "Imperial Service Area" shall comprise all lands within the boundaries of Imperial Irrigation District as said District was constituted on June 23, 1931, and all lands in Imperial and San Diego Counties, California, shown on map marked Exhibit "A", attached to said Imperial contract, and included within hatched border lines indicated on said map by legend as "Boundary of Additional Areas in Proposed Enlarged Imperial Irrigation District", other than (a) such of said lands as are labeled "Dos Palmas Area" and (b) such of said lands as lie West of Salton Sea and North of the Northerly boundary line of Township 11, South of the San Bernardino Base Line. The term "Coachella Service Area" shall comprise all lands described on statements hereto attached and marked "Exhibits" "B", "C", "D" and "E", respectively, being approximately, but not exactly, the lands within said hatched border lines shown on said Exhibit "A", other than those included in said Imperial Service Area. Upon application of either district and with the written consent of the Secretary of the Interior, the boundaries of the service area which such district is entitled hereunder to serve may at any time or from time to time be changed, but may not be so changed as, in the aggregate, to add more than 5000 acres to, nor to subtract more than 5000 acres from such service area, as herein defined, without the written consent of the district entitled hereunder to serve the other service area. Coachella District shall not participate in any revenues received by Imperial District for diverting, carrying and delivering at or near Pilot Knob, water for irrigation or domestic use for any person or agency other than the parties hereto, and Coachella District shall perform no such service at or near Pilot Knob.

APPLICATIONS TO APPROPRIATE WATER

SEC. 16. The parties hereto agree that their respective applications to appropriate water from the Colorado River for irrigation and domestic purposes heretofore filed with the Division of Water Resources of the State of California be deemed amended to conform with the foregoing provisions of this agreement and stipulate that permits be issued to them, respectively, in accordance herewith and agree to file with said Division all necessary papers and stipulations to that end. Except as between the parties hereto the provisions of this agreement shall not affect nor impair any rights of either party to the waters of the Colorado River.

LEASE OR POWER RIGHTS

SEC. 17. As a compromise and settlement of the controversy existing between the parties hereto as to all power possibilities, power rights, power resources and power privileges upon the whole of said All-American Canal in both Imperial and Riverside Counties, now or hereafter held, owned, or possessed by said parties, or either of them, including all those at or near Pilot Knob, which said power possibilities, power rights, power resources and power privileges are hereinafter styled "power rights", and to combine and co-ordinate all of said power rights as a unified project so as to produce the maximum benefits to the parties hereto and to the United States, it is agreed that the parties hereto will, within a reasonable time after the execution of said Coachella Contract, execute a good and sufficient lease agreement, wherein Coachella District shall demise to Imperial District all of said power rights which the Coachella District may now have or hereafater obtain. Said lease, among other reasonable provisions, shall provide:

(a) That the term of said lease shall commence with the date thereof and terminate on January 1, 2033; provided, that should the term herein or in said lease fixed exceed that permitted by law at the date of said lease, then said term shall be deemed reduced to the longest period permitted by law;

(b) That said lease shall vest in Imperial District the entire and exclusive operation, management, development and control of all said power rights and the use, sale and control of power produced therefrom;

(c) That subject to the conditions hereinafter contained, Imperial District shall pay, on March first of each year, as rental for said demised power rights, eight per cent of the net proceeds, as defined in sub-section (f) hereof, received by Imperial District during the preceding calendar year from all said power rights held, owned or possessed by both parties hereto and from all power works and power facilities by or in connection with which Imperial District utilizes said power rights;

(d) That said rentals shall be paid by Imperial District to the United States and credited on the Coachella Contract until Coachella District's obligations to the United States under said contract are fully paid, and thereafter Imperial District shall pay said rentals to Coachella District;

(e) That no rentals shall be due or payable unless and until capacity in the All-American Canal shall have been provided for Coachella District down to Pilot Knob;

(f) That in determining said net proceeds, as between the parties hereto, there shall be taken into consideration all items of cost of production and disposal of power, including, but not necessarily limited to amortization of and interest on capital investment for power purposes, improvements, operation and maintenance, and depreciation, and any other proper factor of cost not herein expressly enumerated;

(g) That the determination of said net proceeds for the purpose of ascertaining rentals payable under said lease shall be made without reference to the fact that as to Imperial District said rentals will constitute a part of the cost of doing business;

(h) That on March first of each year Imperial District shall furnish to Coachella District a statement of account showing the computation of said rental;

(i) That Coachella District shall not be required to contribute in any manner to the cost of construction, operation or maintenance of any power works or facilities on or in connection with the All-American Canal, except indirectly, as said items may be taken into consideration in determining rentals to be paid under said lease;

(j) That said lease shall terminate upon Coachella District being relieved of obligations as provided in Section 14 hereof and/or at the option of Coachella District, in the event of default in any payment of rentals by Imperial District for a period of two years;

(k) That any overdue rental shall bear interest at the rate of one-half of one per cent per month until paid;

(l) That when Imperial District is ready to undertake construction of facilities to serve electrical energy (herein designed "power") in Coachella Valley, Coachella District shall obtain for Imperial District signed contracts or applications for power as provided in Section 18 hereof, and be otherwise subject to the provisions of said Section 18;

(m) That when Imperial District is ready to serve power from the All-American Canal in Coachella Valley, then, if and while said lease is in effect, Imperial District will furnish such power in Coachella District at the rates and upon the conditions provided in Section 19 hereof;

(n) That Coachella District shall, by its officials or designated representatives, have the right of ingress to and egress from all power works and facilities of Imperial District for the purpose of inspection thereof, and full and free access to and the right during office hours to inspect and copy all books and records of Imperial District relating to its power operations;

(o) That the interest of Imperial District under said lease shall not, nor shall any part thereof nor interest therein, be assigned, nor shall Imperial District sublet any part of nor interest in said demised power rights without the written consent of Coachella District;

(p) That at the termination of said lease the rights and privileges of the parties thereto shall be segregated and/or adjusted as may be equitable and just, having in view the business, interests and investments of the parties and their respective legal and equitable rights in said power rights, works and facilities on or in connection with the All-American Canal;

(q) That in the event the parties cannot agree upon such segregation or adjustment, then the same shall be made by a board of arbitration, consisting

of five persons, one to be selected by Imperial District, one by Coachella District, and three by the Secretary of the Interior and the decision of said board of arbitration shall be final and binding upon the parties to said lease;

(r) That nothing contained in said lease shall be construed as in any manner abridging, limiting, or depriving either of the parties thereto of any means of enforcing any remedy, either at law or in equity, for the breach of any of the provisions of said lease which it would otherwise have;

(s) That the waiver of a breach of any of the provisions of said lease shall not be deemed to be a waiver of any other provision thereof or of a subsequent breach of such provision.

POWER CONTRACTS

SEC. 18. When the lease provided for in Section 17 hereof has been executed and Imperial District is ready to undertake construction of facilities to serve electrical energy, (herein styled "power") in Coachella Valley it shall notify Coachella District of said fact in writing and it shall thereupon be the duty of Coachella District to obtain for Imperial District, within six months after service of such notice, contracts or applications for power signed by consumers using at the time of service of such notice not less than eighty per cent of the power load then being consumed in the Coachella Service Area. Such contracts or applications shall be in such form and substance as reasonably required by Imperial District and shall among other things bind the consumer to take from Imperial District all power that he may require in Coachella District for a period of three years. In the event of disagreement between the parties as to whether or not Coachella District has complied with the foregoing provisions of this section on its part to be complied with, then the Secretary of the Interior may, at the written request of either party, determine said fact and notify the parties hereto of such determination in writing, and such determination shall be final and binding upon the parties hereto. Notwithstanding anything herein or in said lease contained, there shall be no obligation on the part of the Imperial District for rentals under said lease during the time, if any, after six months period that said signed contracts or applications for said eighty per cent of power load have not been so

POWER RATES

SEC. 19. When the lease provided for in Section 17 hereof has been executed and Imperial District is ready to serve power from the All-American Canal in Coachella Valley then, and while said lease remains in effect, Imperial District will furnish such power in Coachella District upon the following terms:

A. To Coachella District, for use by itself for project purposes within said

Coachella Service area as such project purposes are hereinafter defined, at rates in no case exceeding the cost of power delivered in Coachella Valley, plus fifteen per cent, and in no event at rates higher than are charged by Imperial District to itself for like uses with such additional charges as may be necessary to offset difference in costs of transmitting power as between Imperial and Coachella Valleys. Subject to the foregoing provisions, Coachella District agrees that, for a period of five years from and after the service of the notice provided for in Section 18 hereof said Coachella District will purchase from Imperial District and pay for all power Coachella District may require for project purposes within the Coachella Service Area, and for which Imperial District has sufficient facilities and is prepared to serve. Imperial District shall not be required to furnish power to Coachella District for project purposes at points where Imperial District does not then have sufficient facilities for such power service.

"Project Purposes" as used in this section shall be understood to mean construction, operation and maintenance of Coachella District's irrigation and drainage system within the Coachella Service Area, where such construction, operation, or maintenance is of a general public nature and not individual or private in character.

B. To all consumers within Coachella District, other than to Coachella District for project purposes, at no higher rates than those charged, and under the same conditions and regulations as those prescribed, by Imperial District for like service to consumers within Imperial District with such additional charges as may be necessary to offset difference in costs of transmitting power as between Imperial and Coachella Valleys. In no event shall such rates to such consumers exceed seventy-five per cent of the rates paid for like service by individual consumers in Coachella District on January 1, 1934, based upon the purchasing power of the dollar on said date. Imperial District shall make such further reduction in rates to such consumers as may be necessary to meet competitive rates for like service of any public utility, at the time authorized by the Railroad Commission of the State of California, or other authority succeeding to its functions, and able to serve such consumers, but in no event shall Imperial District be required to charge rates that will return less than the cost of service.

POWER PERMITS

SEC. 20. The parties hereto agree to cooperate to the end that all necessary and proper permits and licenses to appropriate water for power purposes and construct power facilities may be obtained from the Division of Water Resources of the State of California and/or Federal Power Commission as may be authorized by law and hereby stipulate that such permits and licenses issue to the parties hereto, as follows, to-wit:

1. To Imperial District, as to all such permits and licenses on the portion of the All-American Canal shown on said Exhibit "A" and marked "Main (All American) Canal to Imperial Valley" lying west of the southerly end of the "Main (All American) Canal to Coachella Valley" as same is shown on said Exhibit "A";

2. The Coachella District, as to all such permits and licenses on the portion of the All-American Canal shown on said Exhibit "A" and marked "Main (All American) Canal to Coachella Valley" lying North of the Northerly boundary line of Township 11, South of the San Bernardino Base Line;

3. To Imperial District and Coachella District, as their respective privileges to utilize power possibilities may appear from their said contracts with the United States, as to all such privileges on all portions of the Imperial Dam and All-American Canal, including Pilot Knob, not hereinabove specified.

AGREEMENT VOID IF CERTAIN LANDS INCLUDED IN IMPERIAL DISTRICT

SEC. 21. In the event lawful petition or petitions sufficient in all respects for inclusion within Imperial District of ninety per cent (90%) of the lands shown on said Exhibit "A" lying north of the northerly boundary line of Township Eleven (11), South of the San Bernardino Base Line and bounded by the lines indicated on said Exhibit "A" as "Boundary of Additional Areas in Proposed Enlarged Imperial Irrigation District", exclusive of the Dos Palmas Area and exclusive of Indian lands and public lands of the United States, shall be filed pursuant to and within the time limited by said Imperial Contract, and said lands shall be thereafter included within said Imperial District pursuant to such petition or petitions, then, as of the date of such inclusion, this agreement shall terminate and be at an end.

REMEDIES UNDER AGREEMENT NOT EXCLUSIVE

SEC. 22. Nothing contained in this agreement shall be construed as in any manner abridging, limiting, or depriving either of the parties hereto of any means of enforcing any remedy, either at law or in equity, for the breach of any of the provisions hereof which it would otherwise have. The waiver of a breach of any of the provisions of this agreement shall not be deemed to be a waiver of any other provision hereof or of a subsequent breach of such provision.

SEC. 23. This agreement shall not be interpreted nor construed so as to amend, modify or change said Imperial Contract in any particular, and no provision hereof in conflict with said Imperial Contract shall be of any force or effect. As to any provisions hereof in which the United States is interested this agreement shall be deemed to be made expressly for the benefit of the United States, as well as of the parties hereto.

SEC. 24. This agreement shall inure to and be binding upon the parties hereto, their and each of their respective successors and assigns.

IN WITNESS WHEREOF, Said parties have executed this agreement in triplicate

original by their respective officers, thereunto duly authorized by resolutions of their respective Boards of Directors, the day and year first above written.

IMPERIAL IRRIGATION DISTRICT,
By (Signed) EVAN T. HEWES,
Its President.

Attest:
(Signed) W. W. GOODSON,
Its Secretary.

[SEAL]

COACHELLA VALLEY COUNTY
WATER DISTRICT,
By (Signed) HARRY W. FORBES,
Its President.

Attest:
(Signed) HELEN F. RUNYON,
Its Secretary.

[SEAL]

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EXHIBIT "B"

DESCRIPTION OF LANDS WITHIN COACHELLA VALLEY COUNTY WATER DISTRICT AND ITS IMPROVEMENT DISTRICT NO. 1 AND WITHIN THE COACHELLA SERVICE AREA.

All that certain tract of land situate in the County of Riverside, State of California, and in the Townships (designated "T") hereinafter mentioned South, and Ranges (designated "R") hereinafter mentioned East, of the San Bernardino Base Line and Meridian, particularly described as follows, to-wit:

Beginning at the S.W. corner of the S.E.¼ of Section 31, Township 8 South, Range 9 East, which is a point in the South boundary line of said Coachella Valley County Water District and thence along straight lines:

1. To the S.W. corner of Sec. 10, T. 8, R. 8, thence
2. To the S.W. corner of the S.E.¼ of Sec. 33, T. 7, R. 8, thence
3. To the S.W. corner of the N.W.¼ of said Sec. 33, thence
4. To the S.W. corner of the N.E.¼ of Sec. 19, T. 7, R. 8, thence
5. To the S.W. corner of the N.W.¼ of said Sec. 19, thence along the West line of said Sec. 19
6. To the N.W. corner of said Sec. 19, thence along the South line of Sec. 13, T. 7, R. 7
7. To the S.W. corner of said Sec. 13, thence along the West line of said Sec. 13
8. To the N.W. corner of said Sec. 13, thence
9. To the S.W. corner of the N.E.¼ of Sec. 11, T. 7, R. 7, thence
10. To the S.W. corner of the N.W.¼ of said Sec. 11, thence along the West line of said Sec. 11
11. To the N.W. corner of said Sec. 11, thence along the South line of Sec. 3 in said Township and Range
12. To the S.W. corner of said Sec. 3, thence along the West line of said Sec. 3
13. To the N.W. corner of said Sec. 3, thence along the South line of Secs. 34 and 33, T. 6 South, R. 7 East
14. To the S.W. corner of the S.E.¼ of Sec. 33, T. 6, R. 7, thence
15. To the S.W. corner of the N.E.¼ of Sec. 28, T. 6, R. 7, thence
16. To the S.W. corner of the N.W.¼ of said Sec. 28, thence
17. To the S.W. corner of the S.E.¼ of Sec. 20, T. 6, R. 7, thence
18. To the S.W. corner of the N.E.¼ of said Sec. 20, thence
19. To the S.W. corner of the S.E.¼ of the N.W.¼ of said Sec. 20, thence
20. To the N.W. corner of the N.E.¼ of the N.W.¼ of said Sec. 20, thence
21. To the S.W. corner of the S.E.¼ of Sec. 17, T. 6, R. 7, thence

22. To the S.W. corner of the N.E.¼ of Sec. 8, T. 6, R. 7, thence
23. To the S.W. corner of the S.E.¼ of the N.W.¼ of said Sec. 8, thence
24. To the S.W. corner of the N.E.¼ of the N.W.¼ of said Sec. 8, thence
25. To the S.W. corner of the N.W.¼ of the N.W.¼ of said Sec. 8, thence
26. To the N.W. corner of said Sec. 8, thence
27. To the N.W. corner of the N.E.¼ of the N.E.¼ of Sec. 7, T. 6, R. 7, thence
28. To the S.W. corner of the N.E.¼ of the N.E.¼ of said Sec. 7, thence
29. To the S.W. corner of the N.E.¼ of the N.W.¼ of said Sec. 7, thence
30. To the S.E. corner of the S.W.¼ of the N.W.¼ of said Sec. 7, thence
31. To the S.W. corner of the N.W.¼ of said Sec. 7, thence along the West line of said Sec. 7
32. To the S.E. corner of Sec. 1, T. 6, R. 6, thence along the South line of said Sec. 1
33. To the S.W. corner of the S.E.¼ of said Sec. 1, thence
34. To the N.W. corner of the N.E.¼ of said Sec. 1, thence along the North line of said Sec. 1
35. To the S.W. corner of the S.E.¼ of the S.E.¼ of Sec. 36, T. 5, R. 6, thence
36. To the N.W. corner of the N.E.¼ of the S.E.¼ of said Sec. 36, thence
37. To the S.W. corner of the N.E.¼ of Sec. 31, T. 5, R. 7, thence
38. To the S.W. corner of the N.E.¼ of Sec. 19, T. 5, R. 7, thence
39. To the S.W. corner of the N.W.¼ of said Sec. 19, thence
40. North along the West line of said T. 5, South to a point in the Northeasterly line of the right-of-way of the State Highway commonly known as "U. S. Highway 99", thence
41. Northwesterly along said Northeasterly line of said right-of-way of said Highway to the intersection of said line with the Westerly line of the E.½ of Sec. 19, T. 4, R. 6, thence
42. To the N.W. corner of the S.E.¼ of Sec. 18, T. 4, R. 6, thence
43. To the N.E. corner of the S.E.¼ of Sec. 15, T. 4, R. 6, thence
44. To the S.W. corner of the N.W.¼ of Sec. 23, T. 4, R. 6, thence
45. To the N.E. corner of the S.E.¼ of Sec. 24, T. 4, R. 6, thence
46. To the S.W. corner of the S.E.¼ of Sec. 34, T. 4, R. 7, thence
47. To the N.E. corner of Sec. 3, T. 5, R. 7, thence
48. To the S.W. corner of the N.W.¼ of the N.W.¼ of Sec. 2, T. 5, R. 7, thence
49. To the S.E. corner of the N.E.¼ of the N.W.¼ of said Sec. 2, thence
50. To the S.W. corner of the N.E.¼ of said Sec. 2, thence
51. To the S.W. corner of the N.W.¼ of Sec. 1, T. 5, R. 7, thence
52. To the S.W. corner of the S.E.¼ of said Sec. 1, thence
53. To the S.W. corner of Sec. 6, T. 5, R. 8, thence
54. To the S.W. corner of Sec. 15, T. 5, R. 8, thence along the West line of Sec. 22, T. 5, R. 8
55. To the S.W. corner of said Sec. 22, thence
56. To the S.W. corner of the S.E.¼ of Sec. 27, T. 5, R. 8, thence
57. To the S.W. corner of the N.W.¼ of the N.E.¼ of Sec. 34, T. 5, R. 8, thence
58. To the S.W. corner of the N.E.¼ of the N.E.¼ of said Sec. 34, thence
59. To the S.W. corner of the N.E.¼ of the S.E.¼ of said Sec. 34, thence
60. To the S.E. corner of the N.E.¼ of the S.E.¼ of Sec. 34, T. 5, R. 8, thence along the East line of said Sec. 34.
61. To the S.E. corner of said Sec. 34, thence along the North line of Sec. 2, T. 6, R. 8
62. To the N.E. corner of the N.W.¼ of the N.W.¼ of said Sec. 2, thence
63. To the S.E. corner of the N.W.¼ of the N.W.¼ of said Sec. 2, thence
64. To the S.E. corner of the N.E.¼ of the N.W.¼ of said Sec. 2, thence
65. To the N.W. corner of the N.E.¼ of said Sec. 2, thence
66. To the N.E. corner of the N.W.¼ of the S.E.¼ of said Sec. 2, thence
67. To the S.W. corner of the N.E.¼ of the S.E. ¼ of said Sec. 2, thence

68. To the S.E. corner of the N.E.1/4 of the S.E.1/4 of said Sec. 2, thence along the East line of said Sec. 2

69. To the S.E. corner of said Sec. 2, thence

70. To the S.E. corner of Sec. 13, T. 6, R. 8, thence

71. To the S.E. corner of Sec. 3, T. 7, R. 9, thence along the South lines of Section 2 and 1 in said Township and Range

72. To the N.E. corner of the N.W.1/4 of the N.W.1/4 of Sec. 12, T. 7, R. 9, thence

73. To the S.E. corner of the N.W.1/4 of the N.W.1/4 of said Sec. 12, thence

74. To the N.E. corner of the S.E.1/4 of the N.W.1/4 of said Sec. 12, thence

75. To the S.W. corner of the N.E.1/4 of said Sec. 12, thence

76. To the N.E. corner of the S.E.1/4 of said Sec. 12, being a point on the East boundary line of said Coachella Valley County Water District, thence

77. South along said boundary line to the S.E. corner of Sec. 25, T. 7, R. 9, thence along the South lines of said Sec. 25 and of Sec. 26 in said Township and Range

78. To the S.W. corner of said Sec. 26, thence

79. To the N.E. corner of the S.E.1/4 of the S.E.1/4 of Sec. 27, T. 7, R. 9, thence

80. To the N.W. corner of the S.W.1/4 of the S.E.1/4 of said Sec. 27, thence

81. To the N.E. corner of the S.W.1/4 of said Sec. 27, thence

82. To the N.W. corner of the S.W.1/4 of said Sec. 27, thence

83. To the N.E. corner of the S.E.1/4 of the N.E.1/4 of Sec. 28, T. 7, R. 9, thence

84. To the N.W. corner of the S.W.1/4 of the N.E.1/4 of said Sec. 28, thence

85. To the N.E. corner of the N.W.1/4 of said Sec. 28, T. 7, R. 9, thence along the North lines of said Sec. 28 and of Sec. 29 in said Township and Range

86. To the N.W. corner of the N.E.1/4 of said Sec. 29, thence

87. To the S.W. corner of the N.W.1/4 of the N.E.1/4 of said Sec. 29, thence

88. To the N.W. corner of the S.E.1/4 of the N.W.1/4 of said Sec. 29, thence

89. To the S.E. corner of the S.W.1/4 of the N.W.1/4 of said Sec. 29, thence

90. To the S.W. corner of the S.E.1/4 of the N.W.1/4 of Sec. 30, T. 7, R. 9, thence

91. To the S.E. corner of the N.W.1/4 of the N.W.1/4 of said Sec. 30, thence

92. To the S.W. corner of the N.E.1/4 of the N.E.1/4 of Sec. 25, T. 7, R. 8, thence

93. To the S.W. corner of the S.E.1/4 of the N.E.1/4 of said Sec. 25, thence

94. To the S.W. corner of the N.E.1/4 of said Sec. 25, thence

95. To the S.E. corner of the N.E.1/4 of the S.W.1/4 of said Sec. 25, thence

96. To the N.E. corner of the S.W.1/4 of the S.W.1/4 of said Sec. 25, thence

97. To the S.E. corner of the S.W.1/4 of the N.W.1/4 of Sec. 36, T. 7, R. 8, thence

98. To the N.E. corner of the S.W.1/4 of said Sec. 36, thence

99. To the S.E. corner of the N.E.1/4 of the S.W.1/4 of said Sec. 36, thence

100. To the N.E. corner of the S.E.1/4 of the S.E.1/4 of said Sec. 36, thence along the East line of said Sec. 36

101. To the S.E. corner of said Sec. 36, thence

102. To the N.E. corner of the N.W.1/4 of the N.W.1/4 of Sec. 6, T. 8, R. 9, thence

103. To the N.E. corner of the S.W.1/4 of the S.W.1/4 of Sec. 7, T. 8, R. 9, thence

104. To the N.W. corner of the S.W.1/4 of the S.W.1/4 of said Sec. 7, thence along the West lines of said Sec. 7 and of Sec. 18 in said Township and Range

105. To the S.W. corner of the N.W.1/4 of the N.W.1/4 of said Sec. 18, thence

106. To the S.E. corner of the N.W.1/4 of the N.W.1/4 of said Sec. 18, thence

107. To the S.E. corner of the S.W.1/4 of the N.W.1/4 of said Sec. 18, thence

108. To the S.E. corner of the N.W.1/4 of said Sec. 18, thence

109. To the S.E. corner of the N.E.1/4 of the S.W.1/4 of said Sec.18, thence

110. To the N.E. corner of the S.E.1/4 of the S.E.1/4 of said Sec. 18, thence along the East lines of said Sec. 18 and of Sec. 19 in said Township and Range

111. To the S.W. corner of the N.W.1/4 of the N.W.1/4 of Sec. 20, T. 8, R. 9, thence

112. To the N.E. corner of the S.W.¼ of the N.W.¼ of said Sec. 20, thence
113. To the S.E. corner of the S.W.¼ of the N.W.¼ of said Sec. 20, thence
114. To the S.E. corner of the N.E.¼ of said Sec. 20, thence
115. To the N.W. corner of the S.W.¼ of the S.W.¼ of Sec. 21, T. 8, R. 9, thence
116. To the N.E. corner of the S.W.¼ of the S.W.¼ of said Sec. 21, thence
117. To the S.E. corner of the S.W.¼ of the S.W.¼ of said Sec. 21, thence
118. To the N.E. corner of the N.W.¼ of Sec. 28, T. 8, R. 9, thence
119. To the S.E. corner of the N.W.¼ of said Sec. 28, thence
120. To the N.E. corner of the N.W.¼ of the S.E.¼ of said Sec. 28, thence
121. To the N.W. corner of the N.E.¼ of the N.E.¼ of Sec. 33, T. 8, R. 9, thence along the North line of said Sec. 33
122. To the N.E. corner of said Sec. 33, thence along the East line of said Sec. 33
123. To the S.E. corner of said Sec. 33, being a point in the Southerly boundary line of said Coachella Valley County Water District and of said County of Riverside, thence
124. West along said District and County boundary lines to the point of beginning.

EXHIBIT "C"

DESCRIPTION OF LANDS OUTSIDE COACHELLA VALLEY COUNTY WATER DISTRICT AND WITHIN THE COACHELLA SERVICE AREA, DESIGNATED THE SALTON AREA

All that certain tract of land situate in the County of Riverside, State of California, and in the Townships (designated "T") hereinafter mentioned South, and Ranges (designated "R") hereinafter mentioned East, of the San Bernardino Base Line and Meridian, particularly described as follows, to-wit:

Beginning at the N.W. corner of Section 18, Township 7 South, Range 10 East, which is a point in the East boundary line of said Coachella Valley County Water District, and running thence along the Northerly boundary lines of said Section 18 and of Section 17 in said Township and Range:

1. To the N.E. corner of Sec. 17, T. 7, R. 10, thence
2. To the N.W. corner of Sec. 26, T. 7, R .10, thence
3. To the S.W. corner of the S.E.¼ of the S.E.¼ of said Sec. 26, thence
4. To the S.W. corner of the N.W.¼ of Sec. 36, T. 7, R. 10, thence
5. To the S.E. corner of said Sec. 36, thence
6. To the S.E. corner of Sec. 6, T. 8, R. 11, thence
7. To the S.W. corner of the S.E.¼ of said Sec. 6, thence
8. To the S.E. corner of the N.W.¼ of Sec. 7, T. 8, R. 11, thence
9. To the S.W. corner of the S.E.¼ of the N.W.¼ of said Sec. 7, thence
10. To the S.E corner of the S.W.¼ of the S.W.¼ of said Sec. 7, thence
11. To the N. E. corner of the N.W.¼ of Sec. 18, T. 8, R. 11, thence
12. To the S.E. corner of the N.W.¼ of said Sec. 18, thence
13. Along the Southerly line of the N.W.¼ of said Sec. 18, and the Westerly projection of said Southerly line to an intersection with the Northeasterly line of the Southern Pacific main line railroad right-of-way running through the N.E.¼ of Sec. 13, T. 8, R. 10, thence
14. Northwesterly along said Northeasterly line of said railroad right-of-way to the intersection of said Northeasterly line with the South line of Sec. 28, T. 7, R. 10, or the Easterly projection thereof, thence along the Southerly lines of said Sec. 28 and of Sec. 29 and Sec. 30 in said Township and Range,
15. To the S.W. corner of said Sec. 30, being a point in the East boundary line of said Coachella Valley County Water District, thence
16. North along said District boundary line to the point of beginning.

EXHIBIT "D"

DESCRIPTION OF LANDS OUTSIDE COACHELLA VALLEY COUNTY WATER DISTRICT AND WITHIN THE COACHELLA SERVICE AREA, DESIGNATED THE DOS PALMAS AREA

All that certain tract of land situate in the Counties of Riverside and Imperial, State of California, and in the Townships (designed "T") hereinafter mentioned South, and Ranges (designated "R") hereinafter mentioned East, of the San Bernardino Base Line and Meridian, particularly described as follows, to-wit:

Beginning at the S.E. corner of Sec. 33, T. 8 South, R. 12 East, which is a point in the Southerly boundary line of said County of Riverside, and running thence along the Easterly boundary line of said Sec. 33:

1. To the N.E. corner of the S.E.¼ of the S.E.¼ of said Sec. 33, thence
2. To the N.W. corner of the S.W.¼ of the S.E.¼ of said Sec. 33, thence
3. To the N.E. corner of the S.W.¼ of said Sec. 33, thence
4. To the S.W. corner of the S.E.¼ of the N.W.¼ of said Sec. 33, thence
5. To the N.E. corner of the S.W.¼ of the N.W.¼ of said Sec. 33, thence
6. To the S.W. corner of the N.W.¼ of the N.E.¼ of Sec. 32, T. 8, R. 12, thence
7. To the N.W. corner of the N.E.¼ of said Sec. 32, thence
8. Along the Northerly line of said Sec. 32 to the N.W. corner of the N.E.¼ of the N.W.¼ of said Sec. 32, thence
9. To the N.E. corner of the S.W.¼ of the S.W.¼ of Sec. 29, T. 8, R. 12, thence
10. To the N.W. corner of said S.W.¼ of the S.W.¼ of said Sec. 29, thence
11. Along the Westerly boundary line of said Sec. 29 to the N.W. corner of the S.W¼ of said Sec. 29, thence
12. To the S.W. corner of the N.E.¼ of Sec. 30, T. 8, R. 12, thence
13. To the N.E. corner of the N.W.¼ of said Sec. 30, thence
14. Along the Northerly boundary line of said Sec. 30 to the N.W. corner of said Sec. 30, thence
15. Along the Westerly boundary line of Sec. 19, T. 8, R. 12, to the N.W. corner of said Sec. 19, thence
16. Along the Southerly boundary line of Sec. 13, T. 8, R. 11, to the S.W. corner of the S.E.¼ of the S.E.¼ of said Sec. 13, thence
17. To the N.W. corner of the S.E.¼ of the N.E.¼ of Sec. 12, T. 8, R. 11, thence

18. To the N.E. corner of the S.E.¼ of the N.E.¼ of Sec. 7, T. 8, R. 12, thence

19. Along the Easterly boundary line of said Sec. 7 to the S.E. corner of said Sec. 7, thence

20. To the S.E. corner of Sec. 17, T. 8, R. 12, thence

21. Along the Westerly boundary line of Sec. 21, T. 8, R. 12, to the S.W. corner of the N.W.¼ of said Section, thence

22. To the N.E. corner of the S.W.¼ of said Sec. 21, thence

23. To the N.W. corner of the S.W.¼ of the S.E.¼ of said Sec. 21, thence

24. To the N.E. corner of the S.E.¼ of the S.E.¼ of said Sec. 21, thence

25. Along the Easterly boundary line of said Sec. 21 to the S.E. corner of said Sec. 21, thence

26. Along the Northerly boundary line of Sec. 27, T. 8, R. 12, to the N.E. corner of the N.W.¼ of said Sec. 27, thence

27. To the S.E. corner of Sec. 26, T. 8, R. 12, thence

28. Along a straight line between the N.W. corner and the S.E. corner of Sec. 36, T. 8, R. 12, to a point where said straight line intersects a projection Northerly of the East line of Sec. 2, T. 9, R. 12, thence

29. Along said last-named projected line and the East line of said Sec. 2 to the S.E. corner of the N.E.¼ of said Sec. 2, thence

30. To the S.W. corner of the N.E.¼ of said Sec. 2, thence

31. To the S.E. corner of the S.W.¼ of said Sec. 2, thence

32. Along the Southerly boundary line of said Sec. 2 to S.W. corner of the S.E.¼ of the S.W.¼ of said Sec. 2, thence

33. To the S.E. corner of the N.W.¼ of the N.W.¼ of Sec. 11, T. 9, R. 12, thence

34. To the S.W. corner of the N.W.¼ of the N.W.¼ of Sec. 10, T. 9, R. 12, thence

35. Along the West line of Sec. 10 to the N.W. corner of said Sec. 10, thence

36. Along the South line of Sec. 4, T. 9, R. 12, to the S.W. corner of the S.E.¼ of the S.E.¼ of said Sec. 4, thence

37. To the N.W. corner of the S.E.¼ of the S.E.¼ of said Sec. 4, thence

38. To the S.W. corner of the N.W.¼ of the S.E.¼ of said Sec. 4, thence

39. To the N.W. corner of the N.E.¼ of said Sec. 4, being a point in the Southerly boundary line of said County of Riverside, thence

40. Along said boundary line and the Northerly boundary line of said Sec. 4 to the point of beginning.

EXHIBIT "E"

DESCRIPTION OF LANDS OUTSIDE COACHELLA VALLEY COUNTY WATER DISTRICT AND WITHIN THE COACHELLA SERVICE AREA, DESIGNATED THE FISH SPRINGS AREA

All that certain tract of land situate in the County of Imperial, State of California, and in the Townships (designated "T") hereinafter mentioned South, and Ranges (designated "R") hereinafter mentioned East, of the San Bernardino Base Line and Meridian, particularly described as follows, to-wit:

Beginning at the N.E. corner of the N.W.¼ of Sec. 4, T. 9, R. 9, which is a point in the South boundary line of Coachella Valley County Water District and of the County of Riverside and the North Boundary line of the County of Imperial and running thence along said boundary lines and along the Northerly boundary lines of said Sec. 4 and of Sec. 5, T. 9, R. 9:

1. To the N.E. corner of the N.W.¼ of the N.W.¼ of said Sec. 5, thence
2. To the S.E. corner of the S.W.¼ of the N.W.¼ of Sec. 8, T. 9, R. 9, thence
3. To the S.E. corner of the N.W.¼ of said Sec. 8, thence
4. To the S.E. corner of the S.W.¼ of said Sec. 8, thence
5. To the S.E. corner of Sec. 17, T. 9, R. 9, thence
6. To the S.E. corner of Sec. 21, T. 9, R. 9, thence
7. To the S.W. corner of Sec. 12, T. 10, R. 9, thence
8. Along the Southerly boundary line of said Sec. 12 to the S.E. corner of said Sec. 12, thence
9. To the S.E. corner of Sec. 6, T. 10, R. 10, thence
10. To the N.E. corner of the N.W.¼ of said Sec. 6, thence
11. To the S.W. corner of the N.E.¼ of the N.E.¼ of Sec. 16, T. 9, R. 9, thence
12. To the N.E. corner of the N.W.¼ of the S.E.¼ of Sec. 4, T. 9, R. 9, thence
13. To the S.W. corner of the N.E.¼ of said Sec. 4, thence to the point of beginning.

NOTE.—Annex "A" consists of the proposed contract with Coachella Valley County Water District, together with its exhibits, which contract was later executed under date of October 15, 1934 (No. 11r–781)

[ITEM 17]

BOULDER CANYON PROJECT

CONTRACT FOR CONSTRUCTION OF CAPACITY IN DIVERSION DAM, MAIN CANAL AND APPURTENANT STRUCTURES

THE UNITED STATES

AND

THE CITY OF SAN DIEGO

OCTOBER 2, 1934.

(11r–1151)

ARTICLE 1. THIS CONTRACT, made this 2d day of October, nineteen hundred thirty-four, pursuant to the Act of Congress approved June 17, 1902 (32 Stat., 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat., 1057), designated the Boulder Canyon Project Act, and the Act of Congress approved June 16, 1933 (48 Stat., 195), designated the National Industrial Recovery Act, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by Harold L. Ickes, Secretary of the Interior, hereinafter styled the Secretary, and THE CITY OF SAN DIEGO, a municipal corporation of the State of California, organized under a freeholders' charter, hereinafter referred to as the City:

WITNESSETH:

EXPLANATORY RECITALS

ARTICLE 2. WHEREAS, for the purpose of controlling the floods, improving navigation and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters for reclamation of public lands and other beneficial uses exclusively within the United States, the Secretary subject to the terms of the Colorado River Compact, is authorized to construct, operate and maintain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon, adequate to create a storage reservoir of a capacity of not less than twenty million acre-feet of water, and a main canal and apurtenant structures located entirely within the United States connecting the Laguna Dam, or other suitable diversion dam, which the Secretary is also authorized to construct if deemed necessary or advisable by him upon engineering or economic considerations, with the Imperial and Coachella Valleys in California, the expenditures for said main canal and appurtenant structures to be reimbursable as provided in the reclamation law; and

ARTICLE 3. WHEREAS, after full consideration of the advantages of both the Black Canyon and Boulder Canyon dam sites, the Secretary has determined upon Black Canyon as the site of the aforesaid dam, hereinafter styled the Boulder Dam, creating thereby a reservoir to be hereinafter styled the Boulder Canyon Reservoir; and

ARTICLE 4. WHEREAS, (a) there has been executed under date of December 1, 1932, a contract, herein styled Imperial Contract, between the United States and Imperial Irrigation District, an irrigation district created, organized and existing under and by virtue of the laws of the State of California, hereinafter referred to as the District, which contract provides for the construction of a suitable diversion dam and main canal and appurtenant structures, therein and

hereinafter respectively styled "Imperial Dam" and "All-American Canal", located entirely within the United States, connecting with the Imperial and Coachella Valleys, and for the delivery to the District of stored water from Boulder Canyon Reservoir; and

(b) There has been executed under date of February 15, 1933, a contract between the United States and the City whereby the City was accorded certain storage rights under the conditions therein stated in said Boulder Canyon Reservoir, and the right under the conditions therein stated to have the United States deliver to the City at a point in the Colorado River immediaely above Imperial Dam, the water to which the City may be entitled (estimated in said contract to be 155 cubic feet per second), in accordance with the recommendation of the Chief of the Division of Water Resources of the State of California, set out in said contract; and

(c) The City is now desirous of entering into this contract for the construction of capacity for it in said Imperial Dam and All-American Canal for said 155 cubic feet of water per second, so that the City may transport through said canal for the benefit of the inhabitants of the City, and those of other cities and communities in San Diego County who may hereafter become entitled, with the consent of the Secretary, to use part of said stored water from Boulder Canyon Reservoir, under said contract of February 15, 1933, this contract to be in harmony with the provisions of said Imperial Contract; and

ARTICLE 5. WHEREAS, The Secretary has determined, upon engineering and economic considerations, that it is advisable to provide for the construction of said Imperial Dam and All-American Canal, and has determined that the revenues provided for by this contract are adequate in his judgment to insure payment of all expenses of construction, operation and maintenance of the capacity in said Imperial Dam and All-American Canal to be constructed hereunder, in the manner provided in the reclamation law;

ARTICLE 6. NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to wit:

CONSTRUCTION BY UNITED STATES

ARTICLE 7. The United States will construct the Imperial Dam in the main stream of the Colorado River at the approximate location indicated on the map marked Exhibit "A" attached hereto and by this reference made a part hereof, and will also construct the Main (All American) Canal and Main (All American) Canal to Imperial Valley, the approximate location of said Canal to be as shown on the aforesaid Exhibit "A." Said Canal shall be so constructed as to provide a designed capacity of one hundred fifty-five (155) cubic feet of water per second, to be used by the City for the benefit of the inhabitants of said city and those of other cities and communities in San Diego County who may hereafter become entitled to use the same with the consent of the City and the

Secretary, from and including the diversion and desilting works at said dam to the westerly end of that portion of the All-American Canal designated on said Exhibit "A" as "Main (All American) Canal" and "Main (All American) Canal to Imperial Valley". The ultimate cost to the City and the District of the Imperial Dam and All-American Canal shall in no event exceed the aggregate sum of thirty million dollars ($30,000,000.00). Such cost shall include all expenses of whatosever kind heretofore or hereafter incurred by the United States from the Reclamation Fund or the Colorado River Dam fund in connection with, growing out of, or resulting from the construction of said Imperial Dam and All-American Canal, including but not limited to the cost of labor, materials, equipment, engineering, legal work, superintendence, administration, overhead, any and all costs arising from operation and maintenance of said Imperial Dam and All-American Canal prior to the time that said costs are assumed respectively by the City and the District, damage of all kinds and character and rights of way as hereinafter provided. The City hereby agrees to repay to the United States its share of all expenditures incurred on account of any and all damages due to the existence, operation or maintenance of the Imperial Dam and All-American Canal, the incurrence of which increases expenditures by the United States beyond the said sum of thirty million dollars ($30,000,000.00). The City shall repay the same share of said expenditures as the share to be paid by the City under Article 10 (b) hereof of the capital cost of the particular part of said works causing such damage. The United States will invoke all legal and valid reservations of rights-of-way under acts of Congress, or otherwise reserved or held by it, without cost to the City, except that the United States reserves the right where rights-of-way are thus acquired to reimburse the owners of such lands for the value of improvements which may be destroyed, and the City agrees that the United States may include such disbursements in the cost of the Imperial Dam and All-American Canal. If rights-of-way are required over an existing project of the Bureau of Reclamation, such sum or sums as may be necessary to reimburse the United States on account of the construction charges allocated to irrigable areas absorbed in such rights-of-way shall also be considered as a part of and be included with other costs of the Imperial Dam and All-American Canal. The City agrees that the District may convey to the United States, unencumbered fee simple title to any and all lands now owned by it which, in the opinion of the Secretary, may be required for right-of-way purposes for those portions of the Imperial Dam and All-American Canal to be used in common by the City and the District, at the fair market value thereof, to be determined by the Secretary, such value to be considered (as to the City) as a part of and included with other costs of the Imperial Dam and All-American Canal. Where rights-of-way within the State of California are required for the construction of Imperial Dam and All-American Canal, and such rights-of-way are not reserved to the United States under acts of Congress, or otherwise, or the lands

over which such rights-of-way are required are not then owned by the District, the City agrees that the District, upon request of the Secretary, may acquire title to any such lands required for such purposes, and convey unencumbered fee simple title thereto to the United States at the actual cost thereof to the District, subject to the approval of such cost by the Secretary.

OPERATION AND MAINTENANCE OF COMMON WORKS

ARTICLE 8. (a) Imperial Dam and All-American Canal designated on said Exhibit "A" as "Imperial Dam," "Main (All-American) Canal" and "Main (All American) Canal to Imperial Valley" and Laguna Dam are herein styled "common works". Upon sixty (60) days' written notice from the Secretary of the completion of construction of the Imperial Dam and All-American Canal, or of any major unit thereof useful to the District and the City or either of them, as determined by the Secretary, whose determination thereof shall be final and binding upon the parties hereto, the District may assume the care, operation and maintenance of said common works, or major units thereof, and thereafter the District may care for, operate and maintain the same in such manner that such works shall remain in as good and efficient condition and of equal capacity for the diversion, transportation and distribution of water as when received from the United States, reasonable wear and damage by the elements excepted. The United States may, from time to time, in the discretion of the Secretary, resume operation and maintenance of said Imperial Dam upon not less than sixty (60) days' written notice and require reassumption thereof by the District on like notice. During such times, after completion, as Imperial Dam is operated and maintained by the United States, the City shall on March first of each year advance to the United States its share of the estimated cost of operation and maintenance for the following twelve months, upon estimates furnished therefor on or before September first next preceding. Such share to be advanced by the City shall be in the proportion that the capacity provided for the City in common works above Syphon Drop bears to the total capacity thereof.

(b) From and after the assumption by the District of operation and maintenance of said common works, or any major unit thereof of benefit to the City, the City shall bear such proportion of the cost of operation and maintenance (including repairs and replacements and any charges made by the United States under Article Nine (9) hereof) of each component part of said common works, as the capacity provided for the City in such component part bears to the total capacity thereof. The City agrees, expressly for the benefit of the District, to advance to the District on or before January first of each year its said proportionate share of the estimated cost for that year of such operation and maintenance in accordance with a written notice to be issued to it by the District, provided that payment shall in no event be due until thirty (30) days

after receipt of such notice. Prior to March first of each year the District shall provide the City with a written statement showing in detail the cost for the previous year for operation and maintenance of the works on account of which the City has made advances. Differences between actual costs and estimated costs shall be adjusted in the next succeeding notices. Upon request of the City, both the advance notice of estimated costs and the subsequent statement of actual costs for each year shall be reviewed by the Secretary and his determination of proper charges shall be final. Such review shall not change the due date for advance payments as herein provided and the cost of such review shall be borne equally by the District and the City. The District may at its option withhold delivery of water from the City until its proportionate share of the costs of operation and maintenance has been advanced or paid as in this article provided and until all sums due the District under Article 10 (c) hereof have been paid.

In the event the United States fails to complete the works herein contemplated and the City fails to elect to make use of works theretofore partially or wholly constructed, the City shall be fully relieved of any and all responsibility for maintenance or operation or damage to person or property which may arise therefrom.

KEEPING DIVERSION DAM, MAIN CANAL AND APPURTENANT STRUCTURES IN REPAIR

ARTICLE 9. Except in case of emergency, no substantial change in any of the works to be constructed by the United States and transferred to the District under the provisions hereof or under said Imperial Contract shall be made by the District, without first having had and obtained the written consent of the Secretary and the Secretary's opinion as to whether any change in any such works is or is not substantial shall be conclusive and binding upon the parties hereto. The District shall promptly make any and all repairs to and replacements of all said works transferred to it under the terms and conditions hereof or under said Imperial Contract which, in the opinion of the Secretary, are deemed necessary for the proper operation and maintenance of such works. In case of neglect or failure of the District to make such repairs, the United States may, at its option, after reasonable notice to the District, cause such repairs to be made and charge the actual cost thereof, plus fifteen per centum (15%) to cover overhead and general expense, to the District. On or before September first of each calendar year the United States shall give written notice to the District of the amount expended by the United States for repairs under this article during the twelve-month period immediately preceding. Such cost, plus overhead and general expense as stated above, shall be repaid by the District on March first immediately succeeding.

AGREEMENT BY CITY TO PAY FOR CAPACITY CONSTRUCTED FOR IT BY THE UNITED STATES

ARTICLE 10. (a) The total estimated cost of the Imperial Dam and and All-American Canal as stated in Article 10 of the said Imperial Contract, is thirty-eight million, five hundred thousand dollars ($38,500,000.00), of which not to exceed thirty million dollars ($30,000,000.00) represents the total estimated cost of Imperial Dam, the Main (All American) Canal, and the Main (All American) Canal to Imperial Valley. The City agrees to pay the United States its share, as defined in sub-article (b) of this Article, of the actual total cost not exceeding thirty million dollars ($30,000,000.00), incurred by the United States on account of such works, subject, however, to the provisions of Article seven (7) hereof; provided, that should Congress and other Governmental financing authorities fail to make necessary appropriations or allocations of money to complete the work herein provided for, then the Secretary may, at such reasonable time as he may consider advisable, after Congress and such other Governmental authorities shall have failed for five (5) consecutive years to make the necessary appropriations or allocations which shall have been annually requested by the Secretary, give the City notice of the termination of work by the United States and furnish a statement of the amount actually expended by the United States thereon. Upon the receipt of such notice by the City, the City shall be given two (2) years from and after such receipt of notice to elect whether it will utilize said works theretofore constructed hereunder, or some particular part thereof. Such election on the part of the City shall be expressed by resolution of the City Council submitted to the electorate of the City for approval or rejection in the manner provided by law. If the City elects not to utilize, or fails within said two-year period to elect to utilize said works constructed hereunder, or some portion thereof, then the City shall have no further rights therein and no obligations therefor. If the City elects to utilize said works or a portion thereof, then the reasonable value to the City of the works so utilized, not exceeding the actual cost thereof to the United States, shall be paid by the City under the terms of this contract; the first payment to be due and payable on the first day of March following the first day of August next succeeding the final determination of the reasonable value to the City of such works, in case no further work is done by the City. Should the City elect to complete the work contemplated by this contract, or some portion thereof, the first payment shall be due and payable on the first day of March following the first day of August next succeeding the date of final completion of the work done by the City as determined by the Secretary. In determining the value of such works to the City there shall be taken into account, among other things, the method of financing required and cost of money, so that in no event shall all of the works contemplated by this contract cost the City more than they would have cost the city had they all been

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constructed by the United States under the terms of this contract. In the event of failure of the parties to agree as to the reasonable value to the City of the works which the City elects to use, the same shall be determined as provided in Article twenty-two (22) hereof.

(b) The amounts herein agreed to be paid by the City to the United States shall be in accordance with the following proportions, which proportions the Secretary hereby determines to be equitable and just, to wit:

(i) That proportion of the total cost of that part of said common works above Syphon Drop, excepting Laguna Dam, that the capacity provided for the City therein bears to the total capacity thereof less the capacity to be provided without cost to and for the Yuma Project.

(ii) That proportion of the total cost of each component part of all said common works, other than the part above Syphon Drop, that the capacity provided for the City in such part of said works bears to the total capacity thereof.

(c) The City agrees to pay to the United States on the 31st day of December of each year commencing December 31, 1935, a portion (computed in the same manner as its share of costs of common works above Syphon Drop as agreed in Article 10 (b) (i) hereof) of each of the annual payments (together with interest required thereon), then or thereafter required to be made to the United States for a connection with Laguna Dam, under said contract dated October 23, 1918, and under Article sixteen (16) of said Imperial Contract.

The Secretary hereby determines that it is equitable and just that the City pays and the City agrees, expressly for the benefit of the District, to pay the District the same proportion of the aggregate sum which shall have been paid by the District to the United States prior to December 31, 1935, for a connection with Laguna Dam, as aforesaid, as the proportion herein agreed to be paid by the City to the United States of payments hereafter to be made for said connection with Laguna Dam. The aggregate sum to be paid by the City to the District shall be divided into ten (10) equal instalments, payable annually on March first of each year, commencing on or before the year 1939, with interest from date hereof on unpaid balance at the rate of six per centum (6%) per annum, payable March 1st, 1936, and annually thereafter. At its option, the City may at any time pay any amount on principal of said aggregate sum in advance of the due date and interest on the amount so paid shall thereupon cease.

TERMS OF PAYMENT

ARTICLE 11. The amount herein agreed to be paid to the United States shall be due and payable in not more than thirty-eight (38) annual instalments commencing with the calendar year next succeeding the year when notice of completion of all work provided for herein is given to the City or under the provisions of Article 10 (a) hereof upon termination of work through failure

of Congress or other Governmental authorities to make necessary appropriations or allocations therefor. The first five (5) of such annual instalments shall each be one percentum (1%) of the amount herein agreed to be paid to the United States; the next ten (10) of such instalments shall each be two percentum (2%) of the amount herein agreed to be paid to the United States, the next twenty-one (21) of such instalments shall each be three percentum (3%) of the amount herein agreed to be paid to the United States, and the remainder of such annual instalments shall each be six percentum (6%) of the amount herein agreed to be paid to the United States. The sums payable annually as set forth above shall be divided into two (2) equal semi-annual payments, payable on March first and September first of each year; provided, however, that if notice of the completion of work is given to the City subsequent to August first of any year the first semi-annual instalment of charges hereunder shall be due and payable on March first of the second succeeding year.

OPERATION AND MAINTENANCE COSTS

ARTICLE 12. Each agency which hereafter contracts for capacity to be provided for it in Imperial Dam and All-American Canal and for which agency capacity is so provided shall bear such proportionate part of the cost of operation and maintenance (including repairs and replacements) of the component parts of Imperial Dam and All-American Canal and of the Laguna Dam as may be determined by the Secretary to be equitable and just, but not less than an amount in proportion to the total amount as are the relative capacities provided in each component part for such agency and for all other agencies, including the City. Each such agency shall advance to the District operating the works provided to be used in common by the District and the City and such agency on or before January first of each year, its proportionate share of the estimated cost for that year of operation and maintenance in accordance with a notice to be issued by the District, provided that payment shall in no event be due until thirty (30) days after receipt of notice. Prior to March 1st of each year the District shall provide each agency with a statement showing in detail the costs for the previous year for operation and maintenance of the works on account of which such agency has made advances. Differences between actual costs and estimated costs shall be adjusted in next succeeding notice. Upon request of any agency, both the advance notice of estimated costs and the subsequent statement of actual costs for each year shall be reviewed by the Secretary and his determination of proper charges shall be final. Such review shall not change the due date for advance payments as herein provide, and the cost of such review shall be borne equally by the requesting agency and the District. The District may, at its option, withhold the delivery of water from any agency until its proportionate share of the costs of operation and maintenance has been advanced or paid, as in this Article provided.

POWER POSSIBILITIES

ARTICLE 13. The power possibilities on the All-American Canal down to and including Syphon Drop with water carried for the benefit of the Yuma Project as provided for in Article fourteen (14) hereof, are hereby reserved to the United States. Subject to this reservation and the participation by other agencies as provided for in Article seventeen (17) hereof, the City shall have the privilege of utilizing by contract or otherwise, by means of the capacity to be provided for the City hereunder, such power possibilities, including those at or near Pilot Knob, as may exist upon said canal in proportion to its relative contribution or obligation toward the capital cost of said canal and appurtenant structures from and including the diversion works to the point where each respective power plant may be located; provided, that such privilege shall not interfere with the utilizing by the District of such power possibilities at or near Pilot Knob, by means of the capacity to be provided for the District in the All-American Canal from Syphon Drop to Pilot Knob, in excess of eight thousand five hundred (8,500) cubic feet of water per second. The net proceeds as hereinafter defined in Article twenty-seven (27) hereof, and as determined by the Secretary for each calendar year, from any power development which the City is hereunder authorized to make, shall be paid into the Colorado River Dam fund on March first of the next succeeding calendar year and be credited to the City on this contract until the City shall have paid thereby and/or otherwise an amount of money equivalent to that herein agreed to be paid to the United States. Thereafter such net power proceeds shall belong to the City. It is agreed that in the event the net power proceeds in any calendar year, creditable to the City, shall exceed the annual instalment of charges payable under this contract during the then current calendar year, the excess of such net power proceeds shall be credited on the next succeeding unpaid instalment to become due from the City under this contract.

DIVERSION AND DELIVERY OF WATER FOR YUMA PROJECT

ARTICLE 14. The City hereby consents that there be diverted at the Imperial Dam, and transported and delivered at Syphon Drop and/or such intermediate points as may be designated by the Secretary, the available water to which the Yuma Project (situated entirely within the United States and not exceeding in area 120,000 acres plus lands lying between the project levees and the Colorado River as such levees were located in 1931) is entitled, not exceeding two thousand (2,000) second-feet of water in the aggregate, or such part thereof as the Secretary may direct, for the use and benefit of said project, including the development of power at Syphon Drop, such water to be diverted, transported and delivered continuously in so far as reasonable diligence will permit; provided, however, that water shall not be

diverted, transported, or delivered for the Yuma Project when the Secretary notifies the District that said project for any reason may not be entitled thereto; provided, further that there may be diverted, transported and delivered such water in excess of requirements for irrigations or potable purposes, as determined by the Secretary, on the Yuma Project as so limited, only when such water is not required by the City under the provisions of its said contract of February 15, 1933. The diversion, transportation and delivery of water for the Yuma Project as aforesaid shall be without expense to the United States or its successors in control of said project, as to capital investment required to provide facilities for such diversion and transportation of water except such checks, turnouts and other structures required for delivery from said canal.

CONTRACT OF OCTOBER 23, 1918

ARTICLE 15. That certain contract between the United States of America and the District, bearing date of October 23, 1918, providing for a connection with Laguna Dam, having been terminated, except as to the provisions of Article nine (9) thereof, by said Imperial Contract, the City hereby consents to such partial termination of said first mentioned contract. The City hereby consents that there be furnished to the United States or its successors in interest in the control, operation and maintenance of the Yuma Project, from any power development on the All-American Canal at or near Pilot Knob, up to but not to exceed four thousand horsepower of electrical energy for use by the agency in charge of project operations for irrigation and drainage pumping purposes and necessary incidental use on said Yuma Project, such power to be furnished at cost (including overhead and general expense) plus ten per cent; provided, however, that such power at or near Pilot Knob shall not be required to be furnished except at such times as all power feasible of development at Syphon Drop or developed elsewhere within a radius of forty (40) miles from the City of Yuma for the benefit of the Yuma Project is being used for project operations as in this article specified.

REFUSAL OF WATER IN CASE OF DEFAULT

ARTICLE 16. The United States reserves the right to refuse to deliver water to the City in the event of default for a period of more than twelve (12) months in any payment due the United States under this contract, or in the discretion of the Secretary to reduce deliveries in such proportion as the amount in default by the City bears to the total amount due. The United States further reserves the right to forthwith assume control of all or any part of the works to be constructed hereunder and to care for, operate and maintain the same, so long as the Secretary deems necessary or advisable, if, in his opinion, which shall be final and binding upon the parties hereto, the City does not carry out

the terms and conditions of this contract to their full extent and meaning. In such event, the City's pro rata share of the actual cost of such care, operation and maintenance by the United States shall be repaid to the United States, plus fifteen per centum (15%) to cover overhead and general expense, on March first of each year immediately succeeding the calendar year during which said works are operated and maintained by the United States. Nothing herein contained shall relieve the City of the obligation to pay in any event all instalments and penalties provided in this contract.

USE OF WORKS BY THE UNITED STATES AND OTHERS

ARTICLE 17. The United States also reserves the right to, and the City agrees that it may, at any time prior to the transfer of constructed works to the District for operation and maintenance, increase the capacity of such works and contract for such increased capacity with other agencies for the delivery of water for use in the United States. Such other agencies shall have the privilege at any time of utilizing by contract or otherwise such power possibilities as may exist upon said canal in proportion to their respective contributions or obligations toward the capital cost of said canal and appurtenant structures from and including the diversion works to the point where each respective power plant may be located. In the event other agencies thus contract with the United States, each of such agencies shall assume such proportion of the total cost of said works to be used jointly by such agency and the City, including Laguna Dam, as the Secretary may determine to be equitable and just, but not less than the proportion that the capacity provided for such agency in such works bears to the total capacity thereof (except in that part hereof above Syphon Drop including Laguna Dam, in which part the proportion which such other agency shall assume shall be not less than the proportion that the capacity provided for such agency therein bears to the total capacity thereof less the capacity to be provided without cost to and for the Yuma Project) and the City's financial obligations under this contract shall be adjusted accordingly. In no event shall construction costs chargeable to the City be increased by reason of additional capacity being provided for any such agency or agencies or contract or contracts having been made with same. Any such agency thus contracting shall also be required to reimburse the City in such amounts and at such times as the Secretary may determine to be equitable and just for payments theretofore made by the City for the right to use Laguna Dam.

TITLE TO REMAIN IN THE UNITED STATES

ARTICLE 18. Title to the aforesaid Imperial Dam and All-American Canal shall be and remain in the United States notwithstanding transfer of the care, operation and maintenance thereof to said District or other agency; provided,

however, that the Secretary may, in his discretion, when repayment to the United States of all moneys advanced shall have been made, transfer the title to said main canal and appurtenant structures, except the diversion dam and the main canal and appurtenant structures down to and including Syphon Drop, to the District, the City or other agencies in the United States having a beneficial interest therein in proportion to their respective capital investments under such form of organization as may be acceptable to him.

RULES AND REGULATIONS

ARTICLE 19. There is reserved to the Secretary the right to prescribe and enforce rules and regulations not inconsistent with this contract governing the diversion and delivery of water hereunder to or for the City and to other contractors. Such rules and regulations may be modified, revised and/or extended from time to time after notice to the City and opportunity for it to be heard, as may be deemed proper, necessary or desirable by the Secretary to carry out the true intent and meaning of the law and of this contract, or amendments thereof, or to protect the interests of the United States. The City hereby agrees that in the operation and maintenance of the Imperial Dam and All-American Canal, all such rules and regulations will be fully adhered to by it.

INSPECTION BY THE UNITED STATES

ARTICLE 20. The Secretary may cause to be made from time to time a reasonable inspection of the works constructed by the United States to the end that he may ascertain whether the terms of this and other contracts are being satisfactorily executed by the City and/or other agencies. Such proportion of the actual expense of such inspection in any calendar year, as shall be found by the Secretary to be equitable and just, shall be paid by the City to the United States on March first of each year immediately following the year in which such inspection is made, and upon statement to be furnished by the Secretary. The Secretary or his representative shall at all times have the right of ingress to and egress from all works of the City for the purpose of inspection, repairs and maintenance of works of the United States, and for all other purposes.

ACCESS TO BOOKS AND RECORDS

ARTICLE 21. The officials or designated representatives of the City shall have full and free access to the books and records of the United States, so far as they relate to the matters covered by this contract, with the right at any time during office hours to make copies of and from the same; and the Secretary shall have the same right in respect of the books and records of the City.

DISPUTES OR DISAGREEMENTS

ARTICLE 22. Disputes or disagreements as to the interpretation or performance of the provisions of this contract, except as otherwise provided herein, shall be determinded either by arbitration or court proceedings, the Secretary being authorized to act for the United States in such proceedings. Whenever a controversy arises out of this contract, and the parties hereto agree to submit the mattter to arbitration, the City shall name one arbitrator and the Secretary shall name one arbitrator, and the two arbitrators thus chosen shall elect three other arbitrators, but in the event of their failure to name all or any of the three arbitrators within thirty (30) days after their first meeting, such arbitrators not so elected, shall be named by the Senior Judge of the United States Circuit Court of Appeals for the Ninth Circuit. The decision of any three of such arbitrators shall be a valid and binding award of the arbitrators.

INTEREST AND PENALTIES

ARTICLE 23. No interest shall be charged on any instalments of charges due from the City hereunder except that on all such instalments or any part thereof, which may remain unpaid by the City to the United States after the same become due, there shall be added to the amount unpaid a penalty of one-half of one per centum (½%) and a like penalty of one-half of one per centum (½%) of the amount unpaid shall be added on the first day of each month thereafter so long as such default shall continue.

AGREEMENT SUBJECT TO COLORADO RIVER COMPACT

ARTICLE 24. This contract is made upon the express condition and with the express understanding that all rights based upon this contract shall be subject to and controlled by the Colorado River Compact, being the compact or agreement signed at Santa Fe, New Mexico, November 24, 1922, pursuant to Act of Congress approved August 19, 1921, entitled "An Act to permit a compact or agreement between the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming, respecting the disposition and apportionment of the waters of the Colorado River, and for other purposes," which compact was approved by the Boulder Canyon Project Act.

APPLICATION OF RECLAMATION LAW

ARTICLE 25. Except as provided by the Boulder Canyon Project Act, the reclamation law shall govern the construction, operation and maintenance of the works to be constructed hereunder.

CONTRACT TO BE AUTHORIZED BY ELECTION OF ELECTORS OF CITY

ARTICLE 26. The execution of this contract by the City shall be authorized by the vote of two-thirds of the qualified electors of the City voting at an election to be held for that purpose, assenting that the City incur the indebtedness and liability of this contract, and authorizing and directing the City Council to levy annually a tax sufficient to provide for the payment to the United States each year when due each and every of the annual obligations of the City under this contract, or any portion thereof not paid from revenues derived from other sources. The City shall without delay and at its own cost and expense furnish the United States for its files, copies of all proceedings relating to the election upon this contract, which said copies shall be properly certified by the City Clerk of The City of San Diego.

METHOD OF DETERMINING NET POWER PROCEEDS

ARTICLE 27. In determining the net proceeds for each calendar year from any power development which the City is hereunder authorized to make, on the All-American Canal, to be paid into the Colorado River Dam fund as provided in Article thirteen (13) hereof, there shall be taken into consideration all items of cost of production of power, including but not necessarily limited to amortization of and interest on capital investment in power development, replacements, improvements, and operation and maintenance, if any. Any other proper factor of cost not here expressly enumerated may be taken into account in determining the net proceeds.

CONTINGENT UPON APPROPRIATIONS

ARTICLE 28. This contract is subject to appropriations or allocations being made by Congress or other Governmental financing authority from year to year of moneys sufficient to do the work provided for herein, and to there being sufficient moneys available in the Colorado River Dam fund to permit allotments to be made for the performance of such work. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient moneys not being so appropriated nor on account of there not being sufficient moneys in the Colorado River Dam fund to permit of said allotments. If more than three years elapse after this contract becomes effective and before appropriations or allocations are available to permit the United States to make expenditures hereunder, the City may, at its option, upon giving sixty (60) days' writen notice to the Secretary, cancel this contract. Such option shall be expressed by vote of the electors of the City with the same formalities as required for the authorization of this contract.

RIGHTS RESERVED UNDER SECTION 3737 REVISED STATUTES

ARTICLE 29. All rights of action for breach of any of the provisions of this contract are reserved to the United States as provided in Section 3737 of the Revised Statutes of the United States.

REMEDIES UNDER CONTRACT NOT EXCLUSIVE

ARTICLE 30. Nothing contained in this contract shall be construed as in any manner abridging, limiting or depriving the United States, the City, or the District of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any other provision hereof or of a subsequent breach of such provision.

INTEREST IN CONTRACT NOT TRANSFERABLE

ARTICLE 31. No interest in this contract is transferable by the City to any other party, without the consent of the United States, and any such attempted transfer shall cause this contract to become subject to annulment at the option of the United States.

MEMBER OF CONGRESS CLAUSE

ARTICLE 32. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom. Nothing, however, herein contained shall be construed to extend to this contract if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

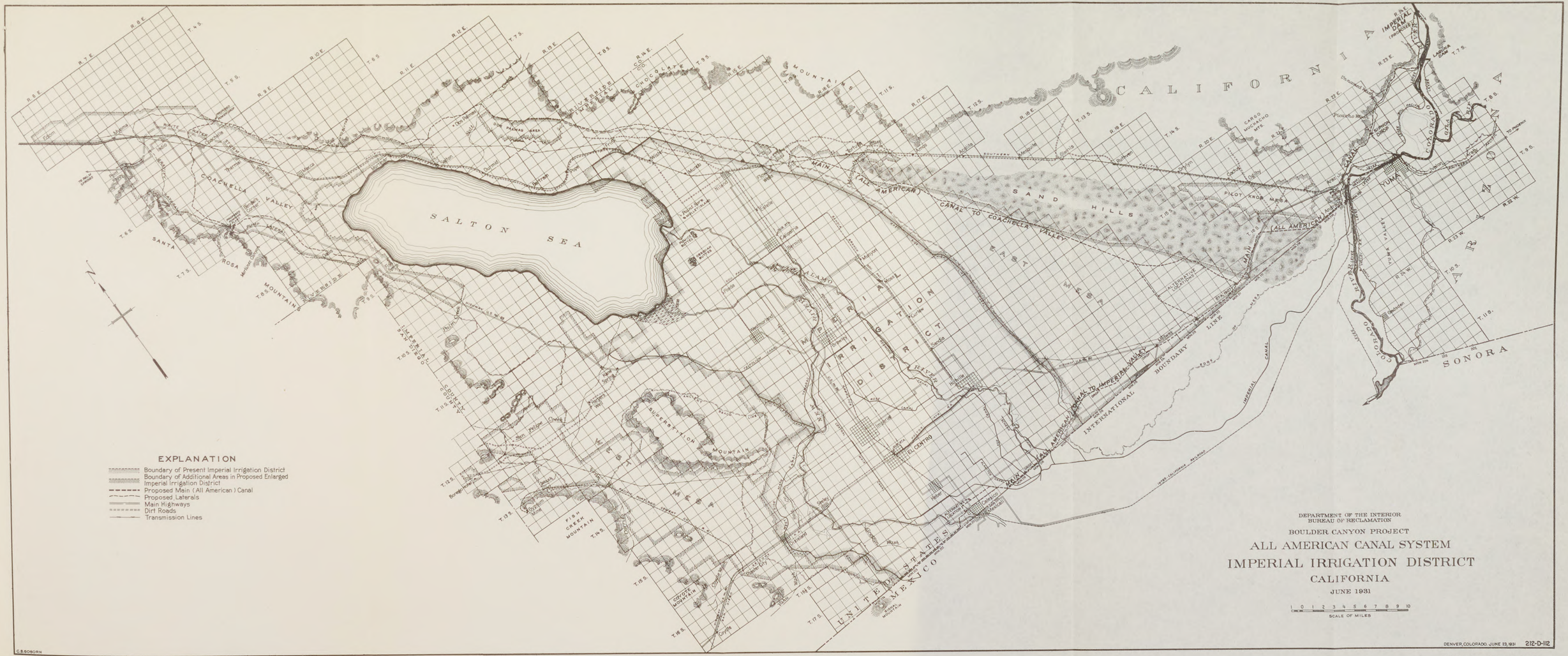
THE UNITED STATES OF AMERICA,
By (s) HAROLD L. ICKES,
Secretary of the Interior.

THE CITY OF SAN DIEGO,
By (s) RUTHERFORD B. IRONES, *Mayor.*

Approved as to form and legality:
(s) D. L. AULT, *City Attorney.*

Attest:
(s) ALLEN H. WRIGHT, *City Clerk.*

[SEAL]



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[ITEM 18]

BOULDER CANYON PROJECT

CONTRACT FOR CONSTRUCTION OF CAPACITY IN DIVERSION DAM, MAIN CANAL AND APPURTENANT STRUCTURES AND FOR DELIVERY OF WATER

THE UNITED STATES

AND

COACHELLA VALLEY COUNTY WATER DISTRICT

OCTOBER 15, 1934

(11r–781)

ARTICLE 1. THIS CONTRACT, made this 15 day of October, nineteen hundred thirty-four, pursuant to the Act of Congress approved June 17, 1902 (32 Stat., 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat., 1057), designated the Boulder Canyon Project Act, and the Act of Congress approved June 16, 1933 (48 Stat., 195), designated the National Industrial Recovery Act, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by Harold L. Ickes, Federal Emergency Administrator of Public Works and Secretary of the Interior, hereinafter styled the Secretary, and COACHELLA VALLEY COUNTY WATER DISTRICT, a County Water District created, organized and existing under and by virtue of the County Water District Act of the State of California, and acts amendatory thereof or supplementary thereto, with its principal place of business at Coachella, Riverside County, California, hereinafter referred to as the District;

WITNESSETH:

EXPLANATORY RECITALS

ARTICLE 2. WHEREAS, for the purpose of controlling the floods, improving navigation and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters for reclamation of public lands and other beneficial uses exclusively within the United States, the Secretary, subject to the terms of the Colorado River Compact, is authorized to construct, operate and maintain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon, adequate to create a storage reservoir of a capacity of not less than twenty-million acre-feet of water, and a main canal and appurtenant structures located entirely within the United States connecting the Laguna Dam, or other suitable diversion dam, which the Secretary is also authorized to construct if deemed necessary or advisable by him upon engineering or economic considerations, with the Imperial and Coachella Valleys in California, the expenditures for said main canal and appurtenant structures to be reimbursable as provided in the reclamation law; and

ARTICLE 3. WHEREAS, after full consideration of the advantages of both the Black Canyon and Boulder Canyon dam sites, the Secretary has determined upon Black Canyon as the site of the aforesaid dam, hereinafter styled the Boulder Dam, creating thereby a reservoir to be hereinafter styled the Boulder Canyon Reservoir; and

ARTICLE 4. WHEREAS, (a) there are included within the boundaries of the District areas of private and public lands and additional private and pub-

lic lands will, by apropriate proceedings, be added to the District and to the Coachella Service Area, defined in Article 17 hereof; and

(b) There has been executed under date of December 1, 1932, a contract, herein styled Imperial Contract, between the United States and Imperial Irrigation District, an irrigation district created, organized and existing under and by virtue of the laws of the State of California, which contract provides for the construction of a suitable diversion dam and main canal and appurtenant structures, therein and hereinafter respectively styled "Imperial Dam" and "All-American Canal," located entirely within the United States, connecting with the Imperial and Coachella Valleys, and for the delivery to said Imperial Irrigation District of stored water from Boulder Canyon Reservoir; and

(c) Certain controversies between said two districts relating to their respective interests in water and power on said All-American Canal have been settled and compromised by an agreement executed between said two districts, dated February 14th, 1934, a triplicate original of which said agreement was on July 3, 1934, filed with the Secretary; and

(d) The District is desirous of entering into a contract for the construction of certain capacity for it in said Imperial Dam and All-American Canal and for the delivery to the District, for the benefit of the lands under or that will be served from the All-American Canal in Coachella Valley, now or hereafter within the District and lying within said Coachella Service Area, of stored water from Boulder Canyon Reservoir, such contract to be in harmony with the provisions of said Imperial Contract and those of said agreement dated February 14th, 1934; and

ARTICLE 5. WHEREAS, The Secretary has determined, upon engineering and economic considerations, that it is advisable to provide for the construction of such Imperial Dam and All-American Canal, and has determined that the revenues provided for by this contract are adequate in his judgment to insure payment of all expenses of construction, operation and maintenance of the capacity in said Imperial Dam and All-American Canal to be constructed hereunder, in the manner provided in the reclamation law;

ARTICLE 6. NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to-wit:

CONSTRUCTION BY UNITED STATES

ARTICLE 7. The United States will construct the Imperial Dam in the main stream of the Colorado River at the approximate location indicated on the map marked Exhibit "A" attached hereto and by this reference made a part hereof, and will also construct the All-American Canal to the Imperial and Coachella Valleys, the approximate location of said canal to be as shown on the aforesaid Exhibit "A." Said canal shall be so constructed as to provide a designed capacity of one thousand five hundred (1500) cubic feet of water

per second, to be used by the District for the benefit of the lands now or hereafter within the District and lying within said Coachella Service Area, from and including the diversion and desilting works at said dam to the southerly end of that portion of the All-American Canal designated on said Exhibit "A" as "Main (All American) Canal to Coachella Valley" (hereinafter styled "Coachella Main Canal"). Said Coachella Main Canal shall be constructed with such capacities as the Secretary may conclusively determine to be necessary or advisable upon engineering or economic considerations to accomplish the ends contemplated by this contract; provided, however, that changes in capacities, locations, lengths and alignments, may be made during the progress of the work as may, in the opinion of the Secretary, whose opinion shall be final and binding upon the parties hereto, be expedient, economical, necessary or advisable, except the capacity above indicated from and including the diversion and desilting works at Imperial Dam to the Southerly end of said Coachella Main Canal, which capacity may be changed only by mutual agreement between the Secretary and the District. The ultimate cost to said two districts of the Imperial Dam and All-American Canal shall in no event exceed the aggregate sum of thirty-eight million, five hundred thousand dollars ($38,500,000.00). Such cost shall include all expenses of whatsoever kind heretofore or hereafter incurred by the United States from the Reclamation Fund or the Colorado River Dam fund in connection with, growing out of, or resulting from the construction of said Imperial Dam and All-American Canal, including but not limited to the cost of labor, materials, equipment, engineering, legal work, superintendence, administration, overhead, any and all costs arising from operation and maintenance of said Imperial Dam and All-American Canal prior to the time that said costs are assumed respectively by the said two districts, damage of all kinds and character and rights-of-way as herinafter provided. The District hereby agrees to re-pay to the United States its share of all expenditures incurred on account of any and all damages due to the existence, operation or maintenance of the diversion dam and main canal, the incurrence of which increases expenditures by the United States beyond said sum of $38,500,000.00. The District shall re-pay the same share of said expenditures as the share to be paid by the District under Article 10 (b) hereof of the capital cost of the particular part of said works causing such damage. The United States will invoke all legal and valid reservations of rights-of-way under acts of Congress, or otherwise reserved or held by it, without cost to the District, except that the United States reserves the right where rights-of-way are thus acquired to reimburse the owners of such lands for the value of improvements which may be destroyed, and the District agrees that the United States may include such disbursements in the cost of the Imperial Dam and All-American Canal. If rights-of-way are required over an existing project of the Bureau of Reclamation, such sum or sums as may be necessary to reimburse the United States on account of the construc-

tion charges allocated to irigable areas absorbed in such rights-of-way shall also be considered as a part of and be included with other costs of the Imperial Dam and All-American Canal. The District agrees to convey to the United States without cost, unencumbered fee simple title to any and all lands now owned by it which, in the opinion of the Secretary, may be required for right-of-way purposes for the Imperial Dam and All-American Canal; and the District agrees that Imperial Irrigation District may convey to the United States, unencumbered fee simple title to any and all lands now owned by it which, in the opinion of the Secretary, may be required for right-of-way purposes for those portions of the Imperial Dam and All-American Canal to be used in common by said two districts, at the fair market value thereof, to be determined by the Secretary, such value to be considered (as to the District) as a part of and included with other costs of the Imperial Dam and All-American Canal. Where rights-of-way within the State of California are required for the construction of Imperial Dam and All-American Canal, and such rights of way are not reserved to the United States under Acts of Congress, or otherwise, or the lands over which such rights of way are required are not then owned by either of said two districts, then the District agrees, (a) that it will, upon request of the Secretary, acquire title to such lands required for such purposes as lie north of the lowest turnout for East Mesa on said Coachella Main Canal, and in turn convey unencumbered fee simple title thereto to the United States at the actual cost thereof to the District, subject to the approval of such cost by the Secretary; and (b) agrees that Imperial Irrigation District, upon request of the Secretary, may acquire title to any such lands required for such purposes as lie south of the Northerly boundary line of Township Eleven (11), South of the San Bernardino Base Line, and likewise convey unencumbered fee simple title thereto to the United States at the actual cost thereof to the Imperial Irrigation District, subject to the approval of such cost by the Secretary.

ASSUMPTION OF OPERATION AND MAINTENANCE OF COMMON AND SEPARATE WORKS

ARTICLE 8. (a). Imperial Dam and All-American Canal and Laguna Dam except (i) that portion of said Coachella Main Canal lying North of the Lowest turnout for East Mesa and (ii) that portion of the All-American Canal lying West of the Southerly end of said Coachella Main Canal and designated on said Exhibit "A" as "Main (All American) Canal to Imperial Valley" are herein styled "common works". Upon sixty (60) days written notice from the Secretary of the completion of construction of the Imperial Dam and All-American Canal, or of any major unit thereof useful to said two districts or either of them, as determined by the Secretary, whose determination thereof shall be final and binding upon the parties hereto, said Imperial Irrigation District may assume the care, operation and maintenance of said common works,

or major units thereof, and thereafter said Imperial Irrigation District may care for, operate and maintain the same in such manner that such works shall remain in as good and efficient condition and of equal capacity for the diversion, transportation and distribution of water as when received from the United States, reasonable wear and damage by the elements excepted. The United States may, from time to time, in the discretion of the Secretary, resume operation and maintenance of said Imperial Dam upon not less than sixty (60) days written notice and require reassumption thereof by said Imperial Irrigation District on like notice. During such times, after completion, as the Imperial Dam is operated and maintained by the United States, the District shall on March first of each year advance to the United States its share of the estimated cost of operation and maintenance for the following twelve months, upon estimates furnished therefor on or before September first next preceding. Such share to be advanced by the District shall be in the proportion that the capacity provided for the District in common works above Syphon Drop bears to the total capacity thereof.

(b) From and after the assumption of operation and maintenance of said common works or any major unit thereof, by Imperial Irrigation District, the District shall bear such proportion of the cost of operation and maintenance (including repairs and replacements and any charges made by the United States under Article Nine (9) hereof) of each component part of said common works, as the capacity provided for the District in such component part bears to the total capacity thereof. The District agrees, expressly for the benefit of Imperial Irrigation District, to advance to Imperial Irrigation District on or before January first of each year its said proportionate share of the estimated cost for that year of such operation and maintenance in accordance with a written notice to be issued to it by Imperial Irrigation District, provided that payment shall in no event be due until thirty (30) days after receipt of such notice. Prior to March first of each year Imperial Irrigation District shall provide the District with a written statement showing in detail the cost for the previous year for operation and maintenance of the works on account of which the District has made advances. Differences between actual costs and estimated costs shall be adjusted in next succeeding notices. Upon request of the District, both the advance notice of estimated costs and the subsequent statement of actual costs for each year shall be reviewed by the Secretary and his determination of proper charges shall be final. Such review shall not change the due date for advance payments as herein provided and the cost of such review shall be borne equally by said two districts. The Imperial Irrigation District may at its option withhold delivery of water from the District until its proportionate share of the costs of operation and maintenance has been advanced or paid, as in his article provided and until all sums due Imperial Irrigation District under Article 10 (c) hereof have been paid.

(c) Upon sixty (60) days written notice from the Secretary of the comple-

tion of construction of the Coachella Main Canal and appurtenant structures or of any major unit thereof useful to the District, as determined by the Secretary, whose determination thereof shall be final and binding on the parties hereto, the District shall assume the care, operation and maintenance of all such works north of the lowest turnout for East Mesa on said Coachella Main Canal, and thereafter the District shall, at its own cost and without expense to the United States, care for, operate and maintain the same in such manner that such works shall remain in as good and efficient condition and of equal capacity for the transportation and distribution of water as when received from the United States, reasonable wear and damage by the elements excepted.

Upon like notice Imperial Irrigation District may assume the care, operation and maintenance, at its own cost, of all works designated on said Exhibit 'A' as "Main (All American) Canal to Imperial Valley", lying west of the southerly end of the Coachella Main Canal.

(d) After the care, operation and maintenance of any of the aforesaid works have been assumed by the District, the District shall save the United States, its officers, agents and employees harmless as to any and all injury and damage to persons and property which may arise out of the care, operation and maintenance thereof. In the event the United States fails to complete the works herein contemplated and the District fails to elect to make use of works theretofore partially or wholly constructed, the District shall be fully relieved of any and all responsibility for any further operation and maintenance of any works theretofore taken over by the District for that purpose and thereupon the District shall no longer be responsible for said maintenance or operation or damage to person or property which may arise therefrom.

KEEPING DIVERSION DAM, MAIN CANAL AND APPURTENANT STRUCTURES IN REPAIR

ARTICLE 9. Except in case of emergency no substantial change in any of the works to be constructed by the United States and transferred to either of said two districts under the provisions hereof or under said Imperial Contract shall be made by such district, without first having had and obtained the written consent of the Secretary and the Secretary's opinion as to whether any change in any such works is or is not substantial shall be conclusive and binding upon the parties hereto. Such district shall promptly make any and all repairs to and replacements of all said works transferred to it under the terms and conditions hereof or under said Imperial Contract which, in the opinion of the Secretary, are deemed necessary for the proper operation and maintenance of such works. In case of neglect or failure of such district to make such repairs, the United States may, at its option, after reasonable notice to such district, cause such repairs to be made and charge the actual cost thereof, plus fifteen per centum (15%) to cover overhead and general expense to such district operating the

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works so repaired. On or before September first of each calendar year the United States shall give written notice to such district operating such works of the amount expended by the United States for repairs under this article during the twelve-month period immediately preceding. Such cost, plus overhead and general expense as stated above, shall be repaid by such district operating such works on March first immediately succeeding.

AGREEMENT BY DISTRICT TO PAY FOR WORKS CONSTRUCTED BY THE UNITED STATES

ARTICLE 10. (a) The District agrees to pay the United States its share, as defined in sub-article (b) of this Article, of the actual cost, not exceeding thirty-eight million five hundred thousand dollars ($38,500,000.00), incurred by the United States on account of the Imperial Dam and All-American Canal, subject, however, to the provisions of Article seven (7) hereof; provided, that should Congress and other Governmental financing authorities fail to make necessary appropriations or allocations of money to complete the work herein provided for, then the Secretary may, at such reasonable time as he may consider advisable, after Congress and such other Governmental authorities shall have failed for five (5) consecutive years to make the necessary appropriations or allocations which shall have been anually requested by the Secretary, give the District notice of the termination of work by the United States and furnish a statement of the amount actually expended by the United States thereon. Upon the receipt of such notice by the District, the District shall be given two (2) years from and after such receipt of notice to elect whether it will utilize said works theretofore constructed hereunder, or some particular part thereof. Such election on the part of the District shall be expressed by resolution of the Board of Directors submitted to the electorate of the District for approval or rejection in the manner provided by law for submission of contracts with the United States. If the District elects not to utilize or fails within said two-year period to elect to utilize said works constructed hereunder, or some portion thereof, then the District shall have no further rights therein and no obligations therefor. If the District elects to utilize said works or a portion thereof, then the reasonable value to the District of the works so utilized, not exceeding the actual cost thereof to the United States, shall be paid by he District under the terms of this contract; the first payment to be due and payable on the first day of March following the first day of August next succeeding the final determination of the reasonable value to the District of such works, in case no further work is done by the District. Should the District elect to complete the work contemplated by this contract, or some portion thereof, the first payment shall be due and payable on the first day of March following the first day of August next succeeding the date of final completion of the work by the District as determined by the Secretary. In determining the value of such works to the District there shall be taken into account, among other things, the

method of financing required and cost of money, so that in no event shall all of the works contemplated by this contract cost the District more than they would have cost the District had they all been constructed by the United States under the terms of this contract. In the event of failure of the parties to agree as to the reasonable value to the District of the works which the District elects to use, the same shall be determined as provided in Article twenty-six (26) hereof.

(b) The amounts herein agreed to be paid by the District to the United States shall be in accordance with the following proportions, which proportions the Secretary hereby determines to be equitable and just, to-wit:

i. That proportion of the total cost of that part of said common works above Syphon Drop, excepting Laguna Dam, that the capacity provided for the District therein bears to the total capacity thereof less the capacity to be provided without cost to and for the Yuma Project.

ii. That proportion of the total cost of each component part of all said common works, other than the part above Syphon Drop, that the capacity provided for the District in such part of said works bears to the total capacity thereof.

iii. The entire cost of all works North of the lowest turnout for East Mesa on the Coachella Main Canal.

(c) The District agrees to pay to the United States on the 31st day of December of each year commencing December 31, 1935, a portion (computed in the same manner as its share of costs of common works above Syphon Drop as agreed in Article 10 (b) i hereof) of each of the annual payments (together with interest required thereon,) then or thereafter required to be made by Imperial Irrigation District to the United States for a connection with Laguna Dam, under its contract dated October 23, 1918, and under Article sixteen (16) of said Imperial Contract, or otherwise.

The Secretary hereby determines that it is equitable and just that the District pay, and the District agrees, expressly for the benefit of Imperial Irrigation District, to pay Imperial Irrigation District the same proportion of the aggregate sum which shall have been paid by Imperial Irrigation District to the United States prior to December 31, 1935, for a connection with Laguna Dam, as aforesaid, as the proportion herein agreed to be paid by the District to the United States of payments hereafter to be made for said connection with Laguna Dam. The aggregate sum to be paid by the District to Imperial Irrigation District shall be divided into ten equal installments, payable annually on March first of each year, comencing on or before the year 1939, with interest from date hereof on unpaid balances at the rate of six per centum (6%) per annum, payable March 1st, 1936, and annually thereafter. At its option, the District may at any time pay any amount on principal of said aggregate sum in advance of the due date and interest on the amount so paid shall thereupon cease.

(d) The lands now in the District, which are also situate in the Coachella Service Area, as defined in Article seventeen (17) hereof, are designated and de-

scribed in statement hereto attached, marked Exhibit "B" and by this reference made a part hereof. The Board of Directors of the District does hereby declare, determine and find, and has by the ordinance by which it authorized the execution of this contract, declared, determined and found that only that portion of the District within said area described in said Exhibit "B" is susceptible of service with water from the waterworks contemplated under this contract and that said area shall be and constitute Improvement District No. 1 of the District. Said Board of Directors does further declare, determine and find and has, by said ordinance, declared, determined and found that that portion of said Coachella Service Area not now in the District, of which description is hereto attached, marked Exhibit "C" and by this reference made a part hereof, (hereinafter styled "Salton Area"), is also susceptible of service from said waterworks, and that if and when said area described in Exhibit "C" is added to the District, and area shall also be added to, and entitled to the same benefits and subject to the same obligations as the lands in said Improvement District No. 1. Said Board of Directors does further declare, determine and find and has, by said ordinance, declared, determined and found, that those certain lands in said Coachella Service Area and not now in the District, (i) shown on said Exhibit "A" as enclosed within a hatched border line and marked "Dos Palmas Area", of which description is hereto attached, marked Exhibit "D" and by this reference made a part hereof, and (ii) shown on said Exhibit "A" as bounded on the East, South and West by a like hatched border line and on the North by the North boundary line of Imperial County and lying West of Salton Sea, (herein styled "Fish Springs Area") of which description is hereto attached, marked Exhibit "E" and by this reference made a part hereof, are also susceptible of service from said waterworks and that if and when said Dos Palmas Area, or any part thereof, is added to the District, it shall be and constitute Improvement District No. 2 of the District, and that if and when said Fish Springs Area, or any part thereof, is added to the District, it shall be and constitute Improvement District No. 3 of the District.

All lands now or hereafter situate both in said Coachella Service Area and in the District are, as a whole, obligated to pay to the United States the full amount herein agreed upon, regardless of the default or failure of any tract, or of any landowner, in the payment of the taxes levied by the District against such tract or landowner, and the District shall, when necessary, levy and collect appropriate taxes to make up for the default or delinquency of any such tract of land or of any such landowner in the payment of taxes, so that in any event, and regardless of any defaults or delinquencies in the payment of any tax or taxes, the amounts due or to become due the United States shall be paid to the United States by the District when due. No lands in the District shall be charged with any taxes or assessments under this contract except those situate within said Coachella Service Area, as defined in Article seventeen (17) hereof, or as thereunder modified.

The Improvement Districts above mentioned are hereby required to be constituted and created as nearly as may be, in the manner prescribed in said County Water District Act for creation of Improvement Districts in County Water Districts in case of ordinary issuance of bonds.

CHANGES IN BOUNDARIES OF COACHELLA SERVICE AREA

ARTICLE 11. After the date of this contract no change shall be made in the boundaries of the Coachella Service Area as defined in Article seventeen (17) hereof and the Board of Directors shall make no order changing the boundaries of said Coachella Service Area except as provided in said Article seventeen (17); provided, however, that the Secretary hereby consents to the inclusion in said Coachella Service Area of all of the lands described on Exhibits "B", "C", "D", and "E" hereto attached.

TERMS OF PAYMENT

ARTICLE 12. The amount herein agreed to be paid to the United States shall be due and payable in not more than forty (40) annual instalments commencing with the calendar year next succeeding the year when notice of completion of all work provided for herein is given to the District or under the provisions of Article 10 (a) hereof upon termination of work through failure of Congress and other Governmental authorities to make necessary appropriations or allocations therefor. The first five (5) of such annual instalments shall each be one per centum (1%) of the amount herein agreed to be paid to the United States; the next ten (10) of such instalments shall each be two per centum (2%) of the amount herein agreed to be paid to the United States, and the remainder of such annual instalments shall each be three per centum (3%) of the amount herein agreed to be paid to the United States. The sums payable annually as set forth above shall be divided into two (2) equal semi-annual payments, payable on March first and September first of each year; provided, however, that if notice of the completion of work is given to the District subsequent to August first of any year the first semi-annual instalment of charges hereunder shall be due and payable on March first of the second succeeding year.

OPERATION AND MAINTENANCE COSTS

ARTICLE 13. Each agency which hereafter contracts for capacity to be provided for it in Imperial Dam and All-American Canal and for which agency capacity is so provided shall bear such proportionate part of the cost of operation and maintenance (including repairs and replacements) of the component parts of Imperial Dam and All-American Canal and of the Leguna Dam as may be determined by the Secretary to be equitable and just, but not less than an amount in proportion to the total amount as are the relative capacities pro-

vided in each component part for such agency and for all other agencies, including the District. Each such agency shall advance to each district operating any works provided to be used in common by such district and such agency on or before January first of each year, its proportionate share of the estimated cost for that year of operation and maintenance in accordance with a notice to be issued by such district, provided that payment shall in no event be due until thirty (30) days after receipt of notice. Prior to March 1st of each year each such district shall provide each agency with a statement showing in detail the costs for the previous year for operation and maintenance of the works on account of which such agency has made advances. Differences between actual costs and estimated costs shall be adjusted in next succeeding notices. Upon request of any agency, both the advance notice of estimated costs and the subsequent statement of actual costs for each year shall be reviewed by the Secretary and his determination of proper charges shall be final. Such review shall not change the due date for advance payments as herein provided, and the cost of such review shall be borne equally by the requesting agency and such district. Such district may, at its option, withhold the delivery of water from any agency until its proportionate share of the costs of operation and maintenance have been advanced or paid, as in this article provided.

POWER POSSIBILITIES

ARTICLE 14. The power possibilities on the All-American Canal down to and including Syphon Drop with water carried for the benefit of the Yuma Project as provided for in Article fifteen (15) hereof, are hereby reserved to the United States. Subject to this reservation and the participation by other agencies as provided for in Article twenty-one (21) hereof, the District shall have the privilege of utilizing by contract or otherwise, by means of the capacity to be provided for the District hereunder, such power possibilities, including those at or near Pilot Knob, as may exist upon said canal in proportion to its relative contribution or obligation toward the capital cost of said canal and appurtenant structures from and including the diversion works to the point where each respective power plant may be located; provided, that such privilege shall not interfere with the utilizing by Imperial Irrigation District of such power possibilities at or near Pilot Knob, by means of the capacity to be provided for Imperial Irrigation District in the All-American Canal from Syphon Drop to Pilot Knob, in excess of 8,500 cubic feet of water per second. The net proceeds as hereinafter defined in Article thirty-one (31) hereof, and as determined by the Secretary for each calendar year, from any power development which the District is hereunder authorized to make, shall be paid into the Colorado River Dam fund on March first of the next succeeding calendar year and be credited to the District on this contract until the District shall have paid thereby and/or otherwise an amount of money equivalent to that herein

agreed to be paid to the United States. Thereafter such net power proceeds shall belong to the District. It is agreed that in the event the net power proceeds in any calendar year, creditable to the District, shall exceed the annual instalment of charges payable under this contract during the then current calendar year, the excess of such net power proceeds shall be credited on the next succeeding unpaid instalment to become due from the District under this contract.

DIVERSION AND DELIVERY OF WATER FOR YUMA PROJECT

ARTICLE 15. The District hereby consents that there be diverted at the Imperial Dam, and transported and delivered at Syphon Drop and/or such intermediate points as may be designated by the Secretary, the available water to which the Yuma Project (situated entirely within the United States and not exceeding in area 120,000 acres plus lands lying between the project levees and the Colorado River as such levees were located in 1931) is entitled, not exceeding two thousand (2,000) second-feet of water in the aggregate, or such part thereof as the Secretary may direct, for the use and benefit of said project, including the development of power at Syphon Drop, such water to be diverted, transported and delivered continuously in so far as reasonable diligence will permit; provided, however, that water shall not be diverted, transported or delivered for the Yuma Project when the Secretary notifies Imperial Irrigation District that said project for any reason may not be entitled thereto; provided, further, that there may be diverted, transported and delivered such water in excess of requirements for irrigation or potable purposes, as determined by the Secretary, on the Yuma Project as so limited, only when such water is not required by the District for irrigation or potable purposes. The diversion, transportation and delivery of water for the Yuma Project as aforesaid shall be without expanse to the United States or its successors in control of said project, as to capital investment required to provide facilities for such diversion and transportation of water except such checks, turnouts and other structures required for delivery from said canal.

CONTRACT OF OCTOBER 23, 1918

ARTICLE 16. That certain contract between the United States of America and Imperial Irrigation District, bearing date of October 23, 1918, providing for a connection with Laguna Dam, having been terminated, except as to the provisions of Article nine (9) thereof, by said Imperial Contract, the District hereby consents to such partial termination of said first mentioned contract. The District hereby consents that there be furnished to the United States or its successors in interest in the control, operation and maintenance of the Yuma Project, from any power development on the All-American Canal at or near

Pilot Knob, up to but not to exceed four thousand horsepower of electrical energy for use by the agency in charge of project operations for irrigation and drainage pumping purposes and necessary incidental use on said Yuma Project, such power to be furnished at cost (including overhead and general expense) plus ten per cent; provided, however, that such power at or near Pilot Knob shall not be required to be furnished except at such times as all power feasible of development at Syphon Drop or developed elsewhere within a radius of 40 miles from the City of Yuma for the benefit of the Yuma Project is being used for project operations as in this article specified.

DELIVERY OF WATER BY UNITED STATES

ARTICLE 17. The United States shall, from storage available in the reservoir created by Boulder Dam, deliver to or for the District, for the benefit of the lands under or that will be served from the All-American Canal in Coachella Valley, now or hereafter within the District and lying within the Coachella Service Area, hereinafter defined, each year, at a point in the Colorado River immediately above Imperial Dam, so much water as may be necessary to supply the District a total quantity, including all other waters diverted for use within the District from the Colorado River, in the amounts and with priorities in accordance with the recommendation of the Chief of the Division of Water Resources of the State of California, as follows: (Subject to availability thereof for use in California under the Colorado River Compact and the Boulder Canyon Project Act):

The waters of the Colorado River available for use within the State of California under the Colorado River Compact and the Boulder Canyon Project Act shall be apportioned to the respective interests below named and in amounts and with priorities therein named and set forth, as follows:

SECTION 1. A first priority to Palo Verde Irrigation District for beneficial use exclusively upon lands in said District as it now exists and upon lands between said District and the Colorado River, aggregating (within and without said District) a gross area of 104,500 acres, such waters as may be required by said lands.

SECTION 2. A second priority to Yuma Project of the United States Bureau of Reclamation for beneficial use upon not exceeding a gross area of 25,000 acres of land located in said project in California, such waters as may be required by said lands.

SECTION 3. A third priority (a) to Imperial Irrigation District and other lands under or that will be served from the All-American Canal in Imperial and Coachella Valleys, and (b) to Palo Verde Irrigation District for use exclusively on 16,000 acres in that area known as the "Lower Palo Verde Mesa," adjacent to Palo Verde Irrigation District, for beneficial consumptive use, 3,850,000 acre-feet of water per annum less the beneficial consumptive use under the priorities designated in Sections 1 and 2 above. The rights designated (a) and (b) in this section are equal in priority. The total beneficial consumptive use under priorities stated in Sections 1, 2 and 3 of this article shall not exceed 3,850,000 acre feet of water per annum.

SECTION 4. A fourth priority to the Metropolitan Water District of Southern California and/or the City of Los Angeles, for beneficial consumptive use, by themselves and/or others, on the Coastal Plain of Southern California, 550,000 acre-feet of water per annum.

SECTION 5. A fifth priority (a) to The Metropolitan Water District of Southern California and/or the City of Los Angeles, for beneficial consumptive use, by themselves and/or others, on the Coastal Plain of Southern California, 550,000 acre-feet of water per annum and (b) to the City of San Diego and/or County of San Diego, for beneficial consumptive use, 112,000 acre-feet of water per annum. The rights designated (a) and (b) in this section are equal in priority.

SECTION 6. A sixth priority (a) to Imperial Irrigation District and other lands under or that will be served from the All-American Canal in Imperial and Coachella Valleys, and (b) to Palo Verde Irrigation District for use exclusively on 16,000 acres in that area known as the "Lower Palo Verde Mesa," adjacent to Palo Verde Irrigation District, for beneficial consumptive use, 300,000 acre-feet of water per annum. The rights designated (a) and (b) in this section are equal in priority.

SECTION 7. A seventh priority of all remaining water available for use within California, for agricultural use in the Colorado River Basin in California, as said basin is designated on Map No. 23000 of the Department of the Interior, Bureau of Reclamation.

SECTION 8. So far as the rights of the allottees named above are concerned, the Metropolitan Water District of Southern California and/or the City of Los Angeles shall have the exclusive right to withdraw and divert into its aqueduct any water in Boulder Canyon Reservoir accumulated to the individual credit of said District and/or said City (not exceeding at any one time 4,750,000 acre-feet in the aggregate) by reason of reduced diversions by said District and/or said City; provided, that accumulations shall be subject to such conditions as to accumulation, retention, release and withdrawal as the Secretary of the Interior may from time to time prescribe in his discretion, and his determination thereof shall be final; provided further, that the United States of America reserves the right to make similar arrangements with users in other States without distinction in priority, and to determine the correlative relations between said District and/or said City and such users resulting therefrom.

SECTION 9. In addition, so far as the rights of the allottees named above are concerned, the City of San Diego and/or County of San Diego shall have the exclusive right to withdraw and divert into an aqueduct any water in Boulder Canyon Reservoir accumulated to the individual credit of said City and/or said County (not exceeding at any one time 250,000 acre-feet in the aggregate) by reason of reduced diversions by said City and/or said County; provided, that accumulations shall be subject to such conditions as to accumulations, retention, release and withdrawal as the Secretary of the Interior may from time to time prescribe in his discretion, and his determination thereof shall be final; provided further, that the United States of America reserves the right to make similar arrangements with users in other States without distinction in priority, and to determine the correlative relations between the said City and/or said County and such users resulting therefrom.

SECTION 10. In no event shall the amounts allotted in this agreement to the Metropolitan Water District of Southern California and/or the City of Los Angeles be increased on account of inclusion of a supply for both said District and said City, and either or both may use said apportionments as may be agreed by and between said District and said City.

SECTION 11. In no event shall the amounts allotted in this agreement to the City of San Diego and/or to the County of San Diego be increased on account of inclusion of a supply for both said City and said County, and either or both may use said apportionments as may be agreed by and between said City and said County.

SECTION 12. The priorities hereinbefore set forth shall be in no wise affected by the relative dates of water contracts executed by the Secretary of the Interior with the various parties.

The Secretary reserves the right to, and the District agrees that he may, contract with any of the allottees above named in accordance with the above stated recommendation, or, in the event that such recommendation as to Palo Verde Irrigation District is superseded by an agreement between all the above allottees or by a final judicial determination, to contract with the Palo Verde Irrigation District in accordance with such agreement or determination; Provided, that priorities numbered fourth and fifth shall not thereby be disturbed.

The use of water by the District shall be in conformity to the following provisions of that certain agreement executed between the District and Imperial Irrigation District dated February 14th, 1934, hereinabove in Article 4 (c) referred to to-wit:

> Imperial Irrigation District shall have the prior right for irrigation and potable purposes only, and exclusively for use in the Imperial Service Area, as hereinafter defined or hereunder modified, to all waters apportioned to said Imperial Irrigation District and other lands under or that will be served from the All-American Canal in Imperial and Coachella Valleys as provided in the third and sixth priorities set out in the recommendation of the Chief of the Division of Water Resources of the State of California, as contained in Article 17 of the Imperial Contract. Subject to said prior right of Imperial Irrigation District, Coachella Valley County Water District shall have the next right, for irrigation and potable purposes only and exclusively for use in the Coachella Service Area, as hereinafter defined or hereunder modified, to all waters so apportioned to said Imperial Irrigation District and other lands under or that will be served from the All-American Canal in the Imperial and Coachella Valleys, as provided in said third and sixth priorities. The use of water for generation of electric energy shall be, in all respects, secondary and subservient to all requirements of said two districts for irrigation and potable purposes as above limited.
>
> As hereinabove used, the term "Imperial Service Area" shall comprise all lands within the boundaries of Imperial Irrigation District as said District was constituted on June 23, 1931, and all lands in Imperial and San Diego Counties, California, shown on Map marked Exhibit "A," attached to said Imperial Contract, and included within hatched border lines indicated on said map by legend as "Boundary of Additional Areas in Proposed Enlarged Imperial Irrigation District," other than (a) such of said lands as are labeled "Dos Palmas Area" and (b) such of said lands as lie West of Salton Sea and North of the Northerly boundary line of Township 11, South of the San Bernardino Base Line. The term "Coachella Service Area" shall comprise all lands described on statements hereto attached and marked Exhibits "B," "C," "D" and "E," respectively.

(said Exhibits "B", "C", "D" and "E" being identical with Exhibits "B", "C", "D" and "E" attached to this contract between the District and the United States).

> being approximately, but not exactly, the lands within said hatched border lines shown on said Exhibit "A," other than those included in said Imperial Service Area. Upon application of either District and with the written consent of the Secretary of the Interior, the boundaries of the service area which such district is entitled hereunder to serve may at any time or from time to time be changed, but may not be so changed as, in the aggregate, to add more than 5000 acres to, nor to subtract more than 5000 acres from such service area, as herein defined, without the written consent of the district entitled hereunder to serve the other service area.

As far as reasonable diligence will permit said water shall be delivered as ordered by the District, and as reasonably required for potable and irrigation purposes within said Coachella Service Area. This contract is for permanent water service but is subject to the condition that Boulder Dam and Boulder Canyon Reservoir shall be used; first, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of perfected rights in pursuance of Article VIII of the Colorado River Compact; and third, for power. This contract is made upon the express condition and with the express covenant that the District and the United States shall observe and be subject to, and controlled by said Colorado River Compact, in the construction, management and operation of Boulder Dam, Imperial Dam, All-American Canal, and other works and the storage, diversion, delivery and use of water for the generation of power, irrigation, and other purposes. The United States reserves the right to temporarily discontinue or reduce the amount of water to be delivered for the purpose of investigation, inspection, maintenance, repairs, replacements or installation of equipment and/or machinery at Boulder Dam, but as far as feasible the United States will give the District reasonable notice in advance of such temporary discontinuance or reduction. The United States, its officers, agents and employees shall not be liable for damages when, for any reason whatsoever, suspension or reductions in delivery of water occur. This contract is without prejudice to any other or additional rights which the District may now have not inconsistent with the foregoing provisions of this aritcle, or may hereafter acquire in or to the waters of the Colorado River. Subject to the provisions of Article fourteen (14) hereof, nothing in this contract shall be construed to prevent the diversion by or for the District of water to the full capacity herein provided for it in the All-American Canal if and when water over and above the quantity apportioned to it hereunder is available, and no power development at Imperial and/or Laguna Dam shall be permitted to interfere with such diversion by or for said District, but, except as provided in Article twenty-one (21) hereof, water shall not be diverted, transported nor carried by or through Imperial Dam or All-American Canal for any agency other than the District or Imperial Irrigation District, except by written consent of the Secretary.

MEASUREMENT OF WATER

ARTICLE 18. The water which the District receives under the apportionment as provided in Article seventeen (17) hereof shall be measured at such point or points on the canal as may be designated by the Secretary. Measuring and controlling devices shall be furnished and installed by the United States as a part of the work provided for herein, but shall be operated and maintained by and at the expense of the district, or districts, operating the works. They shall be and remain at all times under the complete control of the United States,

whose authorized representatives may at all times have access to them over the lands and rights-of-way of the District.

RECORD OF WATER DIVERTED

ARTICLE 19. The District shall make full and complete written reports as directed by the Secretary, on forms to be supplied by the United States, of all water diverted from the Colorado River, and delivered to the District, and the disposition thereof. The records and data from which such reports are made shall be accessible to the United States on demand of the Secretary.

REFUSAL OF WATER IN CASE OF DEFAULT

ARTICLE 20. The United States reserves the right to refuse to deliver water to the District in the event of default for a period of more than twelve (12) months in any payment due the United States under this contract, or in the discretion of the Secretary to reduce deliveries in such proportion as the amount in default by the District bears to the total amount due. It is understood, however, that the provisions of this article shall not relieve the District of its obligation hereunder to divert, transport and deliver water for the use and benefit of other agencies with whom the United States may contract for the diversion, transportation and delivery of water through or by the works to be constructed under the terms hereof. The United States further reserves the right to forthwith assume control of all or any part of the works to be constructed hereunder and to care for, operate and maintain the same, so long as the Secretary deems necessary or advisable, if, in his opinion, which shall be final and binding upon the parties hereto, the District does not carry out the terms and conditions of this contract to their full extent and meaning. In such even, the Districts pro rata share of the actual cost of such care, operation and maintenance by the United States shall be repaid to the United States, plus fifteen per centum (15%) to cover overhead and general expense, on March first of each year immediately succeeding the calendar year during which said works are operated and maintained by the United States. Nothing herein contained shall relieve the District of the obligation to pay in any event all instalments and penalties provided in this contract.

USE OF WORKS BY THE UNITED STATES AND OTHERS

ARTICLE 21. The United States also reserves the right to, and the District agrees that it may, at any time prior to the transfer of constructed works to the District or Imperial Irrigation District for operation and maintenance, increase the capacity of such works and contract for such increased capacity with other agencies for the delivery of water for use in the United States. Such other agencies shall have the privilege at any time of utilizing by contract or other-

wise, such power possibilities as may exist upon said canal in proportion to their respective contributions or obligations toward the capital cost of said canal and appurtenant structures from and including the diversion works to the point where each respective power plant may be located. In the event other agencies thus contract with the United States, each of such agencies shall assume such proportion of the total cost of said works to be used jointly by such agency and the District, including Laguna Dam, as the Secretary may determine to be equitable and just but not less than the proportion that the capacity provided for such agency in such works bears to the total capacity thereof (except in that part thereof above Syphon Drop including Laguna Dam, in which part the proportion which such other agency shall assume shall be not less than the proportion that the capacity provided for such agency therein bears to the total capacity thereof less the capacity to be provided without cost to and for the Yuma Project) and the District's financial obligations under this contract shall be adjusted accordingly. In no event shall construction costs chargeable to the District be increased by reason of additional capacity being provided for any such agency or agencies or contract or contracts having been made with same. Any such agency thus contracting shall also be required to reimburse the District in such amounts and at such times as the Secretary may determine to be equitable and just for payments theretofore made by the District for the right to use Laguna Dam.

TITLE TO REMAIN IN THE UNITED STATES

ARTICLE 22. Title to the aforesaid Imperial Dam and All-American Canal shall be and remain in the United States notwithstanding transfer of the care, operation and maintenance thereof to said two districts, or either of them; provided, however, that the Secretary may, in his discretion, when repayment to the United States of all moneys advanced shall have been made, transfer the title to said main canal and appurtenant structures, except the diversion dam and the main canal and appurtenant structures down to and including Syphon Drop, to the districts or other agencies of the United States having a beneficial interest therein in proportion to their respective capital investments under such form of organization as may be acceptable to him.

RULES AND REGULATIONS

ARTICLE 23. There is reserved to the Secretary the right to prescribe and enforce rules and regulations not inconsistent with this contract governing the diversion and delivery of water hereunder to or for the District and to other contractors. Such rules and regulations may be modified, revised and/or extended from time to time after notice to the District and opportunity for it to be heard, as may be demed proper, necessary or desirable by the Secretary to carry out the true intent and meaning of the law and of this contract, or amendments thereof, or to protect the interests of the United States. The District here-

by agrees that in the operation and maintenance of the Imperial Dam and All-American Canal, all such rules and regulations will be fully adhered to by it.

INSPECTION BY THE UNITED STATES

ARTICLE 24. The Secretary may cause to be made from time to time a reasonable inspection of the works constructed by the United States to the end that he may ascertain whether the terms of this contract are being satisfactorily executed by the District. Such proportion of the acual expense of such inspection in any calendar year, as shall be found by the Secretary to be equitable and just, shall be paid by the District to the United States on March first of each year immediately following the year in which such inspection is made, and upon statement to be furnished by the Secretary. The Secretary or his representative shall at all times have the right of ingress to and egress from all works of the District for the purpose of inspection, repairs and maintenance of works of the United States, and for all other purposes.

ACCESS TO BOOKS AND RECORDS

ARTICLE 25. The officials or designated representatives of the District shall have full and free access to the books and records of the United States, so far as they relate to the matters covered by this contract, with the right at any time during office hours to make copies of and from the same; and the Secretary shall have the same right in respect of the books and records of the District.

DISPUTES OR DISAGREEMENTS

ARTICLE 26. Disputes or disagreements as to the interpretation or performance of the provisions of this contract, except as otherwise provided herein, shall be determined either by arbitration or court proceedings, the Secretary being authorized to act for the United States in such proceedings. Whenever a controversy arises out of this contract, and the parties hereto agree to submit the matter to arbitration, the District shall name one arbitrator and the Secretary shall name one arbitrator, and the two arbitrators thus chosen shall elect three other arbitrators, but in the event of their failure to name all or any of the three arbitrators within thirty (30) days after their first meeting, such arbitrators not so elected, shall be named by the Senior Judge of the United States Circuit Court of Appeals for the Ninth Circuit. The decision of any three of such arbitrators shall be a valid and binding award of the arbitrators.

INTEREST AND PENALTIES

ARTICLE 27. No interest shall be charged on any instalments of charges due from the District hereunder except that on all such instalments or any part

thereof, which may remain unpaid by the District to the United States after the same become due, there shall be added to the amount unpaid a penalty of one-half of one per centum (½%) and a like penalty of one-half of one per centum (½%) of the amount unpaid shall be added on the first day of each month thereafter so long as such default shall continue.

AGREEMENT SUBJECT TO COLORADO RIVER COMPACT

ARTICLE 28. This contract is made upon the express condition and with the express understanding that all rights based upon this contract shall be subject to and controlled by the Colorado River Compact, being the compact or agreement signed at Santa Fe, New Mexico, November 24, 1922, pursuant to Act of Congress approved August 19, 1921, entitled "An Act to permit a compact or agreement between the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming, respecting the disposition and apportionment of the waters of the Colorado River, and for other purposes," which compact was approved by the Boulder Canyon Project Act.

APPLICATION OF RECLAMATION LAW

ARTICLE 29. Except as provided by the Boulder Canyon Project Act, the reclamation law shall govern the construction, operation and maintenance of the works to be constructed hereunder.

CONTRACT TO BE AUTHORIZED BY ELECTION AND CONFIRMED BY COURT

ARTICLE 30. The execution of this contract by the District shall be authorized by the qualified electors of the District at an election held for that purpose. Thereafter, without delay, the District shall prosecute to judgment proceedings in court for a judicial confirmation of the authorization and validity of this contract. The United States shall not be in any manner bound under the terms and conditions of this contract unless and until a confirmatory final judgment in such proceedings shall have been rendered, including final decision, or pending appellate action if ground for appeal be laid. The District shall without delay and at its own cost and expense furnish the United States for its files, copies of all proceedings relating to the election upon this contract and the confirmation proceedings in connection therewith, which said copies shall be properly certified by the Clerk of the Court in which confirmatory judgment is obtained.

METHOD OF DETERMINING NET POWER PROCEEDS

ARTICLE 31. In determining the net proceeds for each calendar year from any power development which the district is hereunder authorized to make, on

the All-American Canal, to be paid into the Colorado River Dam fund as provided in Article fourteen (14) hereof, there shall be taken into consideration all items of cost of production of power, including but not necessarily limited to amortization of and interest on capital investment in power development, replacements, improvements, and operation and maintenance, if any. Any other proper factor of cost not here expressly enumerated may be taken into account in determining the net proceeds.

CONTINGENT UPON APPROPRIATIONS

ARTICLE 32. This contract is subject to appropriations or allocations being made by Congress or other Governmental financing authority from year to year of moneys sufficient to do the work provided for herein, and to there being sufficient moneys available in the Colorado River Dam fund to permit allotments to be made for the performance of such work. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient moneys not being so appropriated nor on account of there not being sufficient moneys in the Colorado River Dam fund to permit of said allotments. If more than three years elapse after this contract becomes effective and before appropriations or allocations are available to permit the United States to make expenditures hereunder, the District may, at its option, upon giving sixty (60) days written notice to the Secretary, cancel this contract. Such option shall be expressed by vote of the electors of the District with the same formalities as required for the authorization of contracts with the United States.

ADDITION OF LANDS TO DISTRICT

ARTICLE 33. (a) The District agrees to change its boundaries, subject to presentation to its Board of Directors before January 1, 1940, of lawful and sufficient petition or petitions therefor and the approval of the electors, so as to add to the District and to its Improvement District No. 1 all lands lying within the Salton Area, referred to in Article 10 (d) hereof.

(b) Whenever any of said lands within the Coachella Service Area are added to the District, the Secretary, on behalf of the United States, hereby consents to such addition. Nothing contained in this contract shall impair any right or remedy of any person entitled to object or protest against the addition to the District of any particular tract or tracts of land, nor impair the power of the Board to hear and determine any such objections or protests.

(c) Nothwithstanding anything herein contained, the District may, at its option, change its boundaries so as to add to the District all or any part of the Dos Palmas Area, and/or of the Fish Springs Area, referred to in Article 10 (d) hereof. In the event any lands within said Dos Palmas Area or Fish Springs Area shall be added to the District such addition shall be made upon conditions substantially as hereinafter contained and as and when authorized

by law, and the Secretary on behalf of the United States hereby requires and consents to such conditions, to-wit:

CONDITION NO. 1—*Contribution to Capital Costs*

The lands within each Improvement District shall collectively bear that proportion of all costs of the Imperial Dam, and All-American Canal, including Laguna Dam, herein agreed to be borne by the District, which the area within such Improvement District bears to the total area of the Coachella Service Area from time to time within the District.

CONDITION NO. 2—*Contribution to Costs Paid by District*

Each Improvement District, other than Improvement District No. 1 shall bear, in the proportion set out in Condition No. 1, its share of all capital costs of the Imperial Dam and All-American Canal, including Laguna Dam, paid by the District prior to the first District tax collection from the lands within such Improvement District and shall pay such share to the District in such installments and at such times as shall be determined by resolution of the Board of Directors of the District to be just and equitable. Upon collection of said sums by the District, the portions of the Coachella Service Area by which said sums were originally paid shall thereupon be entitled to reimbursement or credit in such manner as may be determined by said Board.

CONDITION NO. 3—*Distribution System*

Each improvement District shall bear the entire capital cost of any distribution system which may be constructed by or under the authority of the District to serve the lands within such Improvement District but shall not be required to bear any part of the capital cost of any distribution system to serve the lands within any other Improvement District.

CONDITION NO. 4—*Taxation*

All charges hereunder to be borne by each Improvement District unless otherwise collected from the lands therein, shall be a part of but in addition to the annual taxes upon said lands for other District purposes and shall constitute an additional annual charge upon said lands, to be levied upon an ad valorem or other basis as now or hereafter provided by law.

RIGHTS RESERVED UNDER SECTION 3737 REVISED STATUTES

ARTICLE 34. All rights of action for breach of any of the provisions of this contract are reserved to the United States as provided in Section 3737 of the Revised Statutes of the United States.

REMEDIES UNDER CONTRACT NOT EXCLUSIVE

ARTICLE 35. Nothing contained in this contract shall be construed as in any manner abridging, limiting or depriving the United States, the District or Imperial Irrigation District of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would

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otherwise have. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any other provision hereof or of a subsequent breach of such provision.

INTEREST IN CONTRACT NOT TRANSFERABLE

ARTICLE 36. No interest in this contract is transferable by the District to any other party, and any such attempted transfer shall cause this contract to become subject to annulment at the option of the United States.

MEMBER OF CONGRESS CLAUSE

ARTICLE 37. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom. Nothing, however, herein contained shall be construed to extend to this contract if made with a corporation for its general benefit.

CONTRACT VOID IF CERTAIN LANDS INCLUDED IN IMPERIAL IRRIGATION DISTRICT

ARTICLE 38. In the event lawful petition or petitions sufficient in all respects for inclusion within Imperial Irrigation District of ninety per centum (90%) of the lands shown on said Exhibit "A" lying North of the Northerly boundary line of Township Eleven (11), South of the San Bernardino Base Line and bounded by the lines indicated on said Exhibit "A" as "Boundary of Additional Areas in Proposed Enlarged Imperial Irrigation District", exclusive of the Dos Palmas area and exclusive of Indian lands and public lands of the United States shall be filed pursuant to and within the time limited by said Imperial Contract, and said lands shall be thereafter included within said Imperial Irrigation District pursuant to such petition or petitions, then, as of the date of such inclusion, this contract shall terminate and be at an end.

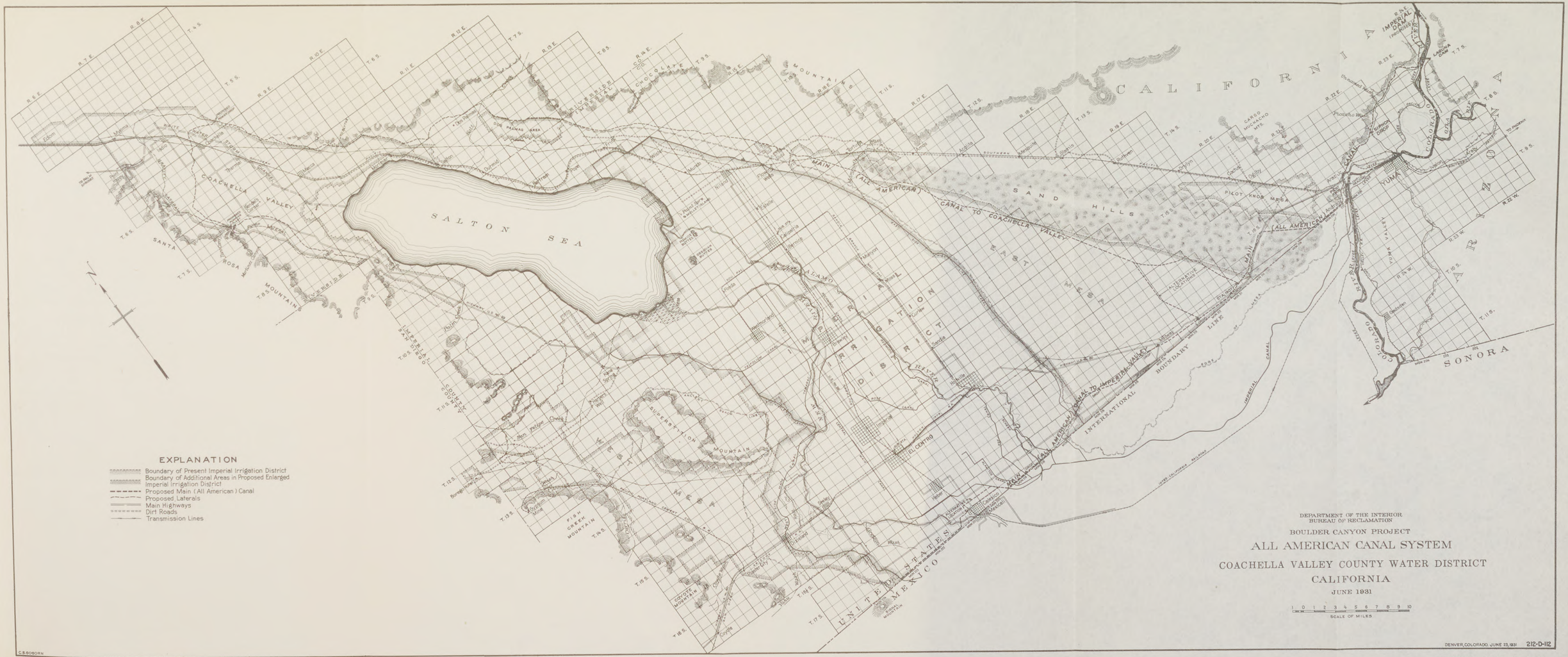
IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By HAROLD L. ICKES,
Federal Emergency Administrator of Public Works and Secretary of the Interior.

COACHELLA VALLEY COUNTY WATER DISTRICT,
By HARRY W. FORBES, *President.*

Attest:
THELMA SCHISLER, *Secretary.*

[SEAL]



U. S. GOVERNMENT PRINTING OFFICE: 1949 O - 833942

EXHIBIT "B"

DESCRIPTION OF LANDS WITHIN COACHELLA VALLEY COUNTY WATER DISTRICT AND ITS IMPROVEMENT DISTRICT NO. 1 AND WITHIN THE COACHELLA SERVICE AREA

All that certain tract of land situate in the County of Riverside, State of California, and in the Townships (designated "T") hereinafter mentioned South, and Ranges (designated "R") hereinafter mentioned East, of the San Bernardino Base Line and Meridian, particularly described as follows, to-wit:

Beginning at the S.W. corner of the S.E¼ of Section 31, Township 8 South, Range 9 East, which is a point in the South boundary line of said Coachella Valley County Water District and thence along straight lines

1. To the S.W. corner of Sec. 10, T. 8, R. 8, thence
2. To the S.W. corner of the S.E.¼ of Sec. 33, T. 7, R. 8, thence
3. To the S.W. corner of the N.W.¼ of said Sec. 33, thence
4. To the S.W. corner of the N.E.¼ of Sec. 19, T. 7, R. 8, thence
5. To the S.W. corner of the N.W.¼ of said Sec. 19, thence along the West line of said Sec. 19
6. To the N.W. corner of said Sec. 19, thence along the South line of Sec. 13, T. 7, R. 7
7. To the S.W. corner of said Sec, 13, thence along the West line of said Sec. 13
8. To the N.W. corner of said Sec. 13, thence
9. To the S.W. corner of the N.E.¼ of Sec. 11, T. 7, R. 7, thence
10. To the S.W. corner of the N.W.¼ of said Sec. 11, thence along the West line of said Sec. 11
11. To the N.W. corner of said Sec. 11, thence along the South line of Sec. 3 in said Township and Range
12. To the S.W. corner of said Sec. 3, thence along the West line of said Sec. 3
13. To the N.W. corner of said Sec. 3, thence along the South line of Secs. 34 and 33, T. 6 South, R. 7 East
14. To the S.W. corner of the S.E.¼ of Sec. 33, T. 6, R. 7, thence
15. To the S.W. corner of the N.E.¼ of Sec. 28, T. 6, R. 7, thence
16. To the S.W. corner of the N.W.¼ of said Sec. 28, thence
17. To the S.W. corner of the S.E.¼ of Sec. 20, T. 6, R. 7, thence
18. To the S.W. corner of the N.E.¼ of said Sec. 20, thence
19. To the S.W. corner of the S.E.¼ of the N.W.¼ of said Sec. 20, thence
20. To the N.W. corner of the N.E.¼ of the N.W.¼ of said Sec. 20, thence

21. To the S.W. corner of the S.E.¼ of Sec. 17, T. 6, R. 7, thence
22. To the S.W. corner of the N.E.¼ of Sec. 8, T. 6, R. 7, thence
23. To the S.W. corner of the S.E.¼ of the N.W.¼ of said Sec. 8, thence
24. To the S.W. corner of the N.E.¼ of the N.W.¼ of said Sec. 8, thence
25. To the S.W. corner of the N.W.¼ of the N.W.¼ of said Sec. 8, thence
26. To the N.W. corner of said Sec. 8, thence
27. To the N.W. corner of the N.E.¼ of the N.E.¼ of Sec. 7, T. 6, R. 7, thence
28. To the S.W. corner of the N.E.¼ of the N.E.¼ of said Sec. 7, thence
29. To the S.W. corner of the N.E.¼ of the N.W.¼ of said Sec. 7, thence
30. To the S.E. corner of the S.W.¼ of the N.W.¼ of said Sec. 7, thence
31. To the S.W. corner of the N.W.¼ of said Sec. 7, thence along the West line of said Sec. 7
32. To the S.E. corner of Sec. 1, T. 6, R. 6, thence along the South line of said Sec. 1
33. To the S.W. corner of the S.E.¼ of said Sec. 1, thence
34. To the N.W. corner of the N.E.¼ of said Sec. 1, thence along the North line of said Sec. 1
35. To the S.W. corner of the S.E.¼ of the S.E.¼ of Sec. 36, T. 5, R. 6, thence
36. To the N.W. corner of the N.E.¼ of the S.E.¼ of said Sec. 36, thence
37. To the S.W. corner of the N.E.¼ of Sec. 31, T. 5, R. 7, thence
38. To the S.W. corner of the N.E.¼ of Sec. 19, T. 5, R. 7, thence
39. To the S.W. corner of the N.W.¼ of said Sec. 19, thence
40. North along the West line of said T. 5, South to a point in the Northeasterly line of the right-of-way of the State Highway commonly known as "U. S. Highway 99," thence
41. Northwesterly along said Northeasterly line of said right-of-way of said Highway to the intersection of said line with the Westerly line of the E.½ of Sec. 19, T. 4, R. 6, thence
42. To the N.W. corner of the S.E.¼ of Sec. 18, T. 4, R. 6, thence
43. To the N.E. corner of the S.E.¼ of Sec. 15, T. 4, R. 6, thence
44. To the S.W. corner of the N.W.¼ of Sec. 23, T. 4, R. 6, thence
45. To the N.E. corner of the S.E.¼ of Sec. 24, T. 4, R. 6, thence
46. To the S.W. corner of the S.E.¼ of Sec. 34, T. 4, R. 7, thence
47. To the N.E. corner of Sec. 3, T. 5, R. 7, thence
48. To the S.W. corner of the N.W.¼ of the N.W.¼ of Sec. 2, T. 5, R. 7, thence
49. To the S.E. corner of the N.E.¼ of the N.W.¼ of said Sec. 2, thence
50. To the S.W. corner of the N.E.¼ of said Sec. 2, thence
51. To the S.W. corner of the N.W.¼ of Sec. 1, T. 5, R. 7, thence
52. To the S.W. corner of the S.E.¼ of said Sec. 1, thence
53. To the S.W. corner of Sec. 6, T. 5, R. 8, thence
54. To the S.W. corner of Sec. 15, T. 5, R. 8, thence along the West line of Sec. 22, T. 5, R. 8
55. To the S.W. corner of said Sec. 22, thence
56. To the S.W. corner of the S.E.¼ of Sec. 27, T. 5, R. 8, thence
57. To the S.W. corner of the N.W.¼ of the N.E.¼ of Sec. 34, T. 5, R. 8, thence
58. To the S.W. corner of the N.E.¼ of the N.E.¼ of said Sec. 34, thence
59. To the S.W. corner of the N.E.¼ of the S.E.¼ of said Sec. 34, thence
60. To the S.E. corner of the N.E.¼ of the S.E.¼ of Sec. 34, T. 5, R. 8, thence along the East line of said Sec. 34
61. To the S.E. corner of said Sec. 34, thence along the North line of Sec. 2, T. 6, R. 8
62. To the N.E. corner of the N.W.¼ of the N.W.¼ of said Sec. 2, thence
63. To the S.E. corner of the N.W.¼ of the N.W.¼ of said Sec. 2, thence
64. To the S.E. corner of the N.E.¼ of the N.W.¼ of said Sec. 2, thence

65. To the S.W. corner of the N.E.¼ of said Sec. 2, thence
66. To the N.E. corner of the N.W.¼ of the S.E.¼ of said Sec. 2, thence
67. To the S.W. corner of the N.E.¼ of the S.E.¼ of said Sec. 2, thence
68. To the S.E. corner of the N.E.¼ of the S.E.¼ of said Sec. 2, thence along the East line of said Sec. 2
69. To the S.E. corner of said Sec. 2, thence
70. To the S.E. corner of Sec. 13, T. 6, R. 8, thence
71. To the S.E. corner of Sec. 3, T. 7, R. 9, thence along the South lines of Sections 2 and 1 in said Township and Range
72. To the N.E. corner of the N.W.¼ of the N.W.¼ of Sec. 12, T. 7, R. 9, thence
73. To the S.E. corner of the N.W.¼ of the N.W.¼ of said Sec. 12, thence
74. To the N.E. corner of the S.E.¼ of the N.W.¼ of said Sec. 12, thence
75. To the S.W. corner of the N.E.¼ of said Sec. 12, thence
76. To the N.E. corner of the S.E.¼ of said Sec. 12, being a point on the East boundary line of said Coachella Valley County Water District, thence
77. South along said boundary line to the S.E. corner of Sec. 25, T. 7, R. 9, thence along the South lines of said Sec. 25 and of Sec. 26 in said Township and Range
78. To the S.W. corner of said Sec. 26, thence
79. To the N.E. corner of the S.E.¼ of the S.E.¼ of Sec. 27, T. 7, R. 9, thence
80. To the N.W. corner of the S.W.¼ of the S.E.¼ of said Sec. 27, thence
81. To the N.E. corner of the S.W.¼ of said Sec. 27, thence
82. To the N.W. corner of the S.W.¼ of said Sec. 27, thence
83. To the N.E. corner of the S.E.¼ of the N.E.¼ of Sec. 28, T. 7, R. 9, thence
84. To the N.W. corner of the S.W.¼ of the N.E.¼ of said Sec. 28, thence
85. To the N.E. corner of the N.W.¼ of said Sec. 28, T. 7, R. 9, thence along the North lines of said Sec. 28 and of Sec. 29 in said Township and Range
86. To the N.W. corner of the N.E.¼ of said Sec. 29, thence
87. To the S.W. corner of the N.W.¼ of the N.E.¼ of said Sec. 29, thence
88. To the N.W. corner of the S.E.¼ of the N.W.¼ of said Sec. 29, thence
89. To the S.E. corner of the S.W.¼ of the N.W.¼ of said Sec. 29, thence
90. To the S.W. corner of the S.E.¼ of the N.W.¼ of Sec. 30, T. 7, R. 9, thence
91. To the S.E. corner of the N.W.¼ of the N.W.¼ of said Sec. 30, thence
92. To the S.W. corner of the N.E.¼ of the N.E.¼ of Sec. 25, T. 7, R. 8, thence
93. To the S.W. corner of the S.E.¼ of the N.E.¼ of said Sec. 25, thence
94. To the S.W. corner of the N.E.¼ of said Sec. 25, thence
95. To the S.E. corner of the N.E.¼ of the S.W.¼ of said Sec. 25, thence
96. To the N.E. corner of the S.W.¼ of the S.W.¼ of said Sec. 25, thence
97. To the S.E. corner of the S.W.¼ of the N.W.¼ of Sec. 36, T. 7, R. 8, thence
98. To the N.E. corner of the S.W.¼ of said Sec. 36, thence
99. To the S.E. corner of the N.E.¼ of the S.W.¼ of said Sec. 36, thence
100. To the N.E. corner of the S.E.¼ of the S.E.¼ of said Sec. 36, thence along the East line of said Sec. 36
101. To the S.E. corner of said Sec. 36, thence
102. To the N.E. corner of the N.W.¼ of the N.W.¼ of Sec. 6, T. 8, R. 9, thence
103. To the N.E. corner of the S.W.¼ of the S.W.¼ of Sec. 7, T. 8, R. 9, thence
104. To the N.W. corner of the S.W.¼ of the S.W.¼ of said Sec. 7, thence along the West lines of said Sec. 7 and of Sec. 18 in said Township and Range
105. To the S.W. corner of the N.W.¼ of the N.W.¼ of said Sec. 18, thence
106. To the S.E. corner of the N.W.¼ of the N.W.¼ of said Sec. 18, thence
107. To the S.E. corner of the S.W.¼ of the N.W.¼ of said Sec. 18, thence
108. To the S.E. corner of the N.W.¼ of said Sec. 18, thence

109. To the S.E. corner of the N.E.¼ of the S.W.¼ of said Sec. 18, thence

110. To the N.E. corner of the S.E.¼ of the S.E.¼ of said Sec. 18, thence along the East lines of said Sec. 18 and of Sec. 19 in said Township and Range

111. To the S.W. corner of the N.W.¼ of the N.W.¼ of Sec. 20, T. 8, R. 9, thence

112. To the N.E. corner of the S.W.¼ of the N.W.¼ of said Sec. 20, thence

113. To the S.E. corner of the S.W.¼ of the N.W.¼ of said Sec. 20, thence

114. To the S.E. corner of the N.E.¼ of said Sec. 20, thence

115. To the N.W. corner of the S.W.¼ of the S.W.¼ of Sec. 21, T. 8, R. 9, thence

116. To the N.E. corner of the S.W.¼ of the S.W.¼ of said Sec. 21, thence

117. To the S.E. corner of the S.W.¼ of the S.W.¼ of said Sec. 21, thence

118. To the N.E. corner of the N.W.¼ of Sec. 28, T. 8, R. 9, thence

119. To the S.E. corner of the N.W.¼ of said Sec. 28, thence

120. To the N.E. corner of the N.W.¼ of the S.E.¼ of said Sec. 28, thence

121. To the N.W. corner of the N.E.¼ of the N.E.¼ of Sec. 33, T. 8, R. 9, thence along the North line of said Sec. 33

122. To the N.E. corner of said Sec. 33, thence along the East line of said Sec. 33

123. To the S.E. corner of said Sec. 33, being a point in the Southernly boundary line of said Coachella Valley County Water District and of said County of Riverside, thence

124. West along said District and County boundary lines to the point of beginning.

EXHIBIT "C"

DESCRIPTION OF LANDS OUTSIDE COACHELLA VALLEY COUNTY WATER DISTRICT AND WITHIN THE COACHELLA SERVICE AREA, DESIGNATED THE SALTON AREA

All that certain tract of land situate in the County of Riverside, State of California, and in the Townships (designated "T") hereinafter mentioned South, and Range (designated "R") hereinafter mentioned East, of the San Bernardino Base Line and Meridian, particularly described as follows, to-wit:

Beginning at the N.W. corner of Section 18, Township 7 South, Range 10 East, which is a point in the East boundary line of said Coachella Valley County Water District, and running thence along the Northerly boundary lines of said Section 18 and of Section 17 in said Township and Range:

1. To the N.E. corner of Sec. 17, T. 7, R. 10, thence
2. To the N.W. corner of Sec. 26, T. 7, R. 10, thence
3. To the S.W. corner of the S.E.¼ of the S.E.¼ of said Sec. 26, thence
4. To the S.W. corner of the N.W.¼ of Sec. 36, T. 7, R. 10, thence
5. To the S.E. corner of said Sec. 36, thence
6. To the S.E. corner of Sec. 6, T. 8, R. 11, thence
7. To the S.W. corner of the S.E.¼ of said Sec. 6, thence
8. To the S.E. corner of the N.W.¼ of Sec. 7, T. 8, R. 11, thence
9. To the S.W. corner of the S.E.¼ of the N.W.¼ of said Sec. 7, thence
10. To the S.E. corner of the S.W.¼ of the S.W.¼ of said Sec. 7, thence
11. To the N.E. corner of the N.W.¼ of Sec. 18, T. 8, R. 11, thence
12. To the S.E. corner of the N.W.¼ of said Sec. 18, thence
13. Along the Southerly line of the N.W.¼ of said Sec. 18, and the Westerly projection of said Southerly line to an intersection with the Northeasterly line of the Southern Pacific main line railroad right-of-way running through the N.E.¼ of Sec. 13, T. 8, R. 10, thence
14. Northwesterly along said Northeasterly line of said railroad right-of-way to the intersection of said Northeasterly line with the South line of Sec. 28, T. 7, R. 10, or the Easterly projection thereof, thence along the Southerly lines of said Sec. 28 and of Sec. 29 and Sec. 30 in said Township and Range
15. To the S.W. corner of said Sec. 30, being a point in the East boundary line of said Coachella Valley County Water District, thence
16. North along said District boundary line to the point of beginning.

EXHIBIT "D"

DESCRIPTION OF LANDS OUTSIDE COACHELLA VALLEY COUNTY WATER DISTRICT AND WITHIN THE COACHELLA SERVICE AREA, DESIGNATED THE DOS PALMAS AREA

All that certain tract of land situate in the Counties of Riverside and Imperial, State of California, and in the Townships (designated "T") hereinafter mentioned South, and Ranges (designated "R") hereinafter mentioned East, of the San Bernardino Base Line and Meridian, particularly described as follows, to-wit:

Beginning at the S.E. corner of Sec. 33, T. 8 South, R. 12 East, which is a point in the Southerly boundary line of said County of Riverside, and running thence along the Easterly boundary line of said Sec. 33:

1. To the N.E. corner of the S.E.¼ of the S.E.¼ of said Sec. 33, thence
2. To the N.W. corner of the S.W.¼ of the S.E.¼ of said Sec. 33, thence
3. To the N.E. corner of the S.W.¼ of said Sec. 33, thence
4. To the S.W. corner of the S.E.¼ of the N.W.¼ of said Sec. 33, thence
5. To the N.E. corner of the S.W.¼ of the N.W.¼ of said Sec. 33, thence
6. To the S.W. corner of the N.W.¼ of the N.E.¼ of Sec. 32, T. 8, R. 12, thence
7. To the N.W. corner of the N.E.¼ of said Sec. 32, thence
8. Along the Northerly line of said Sec. 32 to the N.W. corner of the N.E.¼ of the N.W.¼ of said Sec. 32, thence
9. To the N.E. corner of the S.W.¼ of the S.W.¼ of Sec. 29, T. 8, R. 12, thence
10. To the N.W. corner of said S.W.¼ of the S.W.¼ of said Sec. 29, thence
11. Along the Westerly boundary line of said Sec. 29 to the N.W. corner of the S.W.¼ of said Sec. 29, thence
12. To the S.W. corner of the N.E.¼ of Sec. 30, T. 8, R. 12, thence
13. To the N.E. corner of the N.W.¼ of said Sec. 30, thence
14. Along the Northerly boundary line of said Sec. 30 to the N.W. corner of said Sec. 30, thence
15. Along the Westerly boundary line of Sec. 19, T. 8, R. 12, to the N.W. corner of said Sec. 19, thence
16. Along the Southerly boundary line of Sec. 13, T. 8, R. 11, to the S.W. corner of the S.E.¼ of the S.E.¼ of said Sec. 13, thence
17. To the N.W. corner of the S.E.¼ of the N.E.¼ of Sec. 12, T. 8, R. 11, thence
18. To the N.E. corner of the S.E.¼ of the N.E.¼ of Sec. 7, T. 8, R. 12, thence

19. Along the Easterly boundary line of said Sec. 7 to the S.E. corner of said Sec. 7, thence
20. To the S.E. corner of Sec. 17, T. 8, R. 12, thence
21. Along the Westerly boundary line of Sec. 21, T. 8, R. 12, to the S.W. corner of the N.W.¼ of said Section, thence
22. To the N.E. corner of the S.W.¼ of said Sec. 21, thence
23. To the N.W. corner of the S.W.¼ of the S.E.¼ of said Sec. 21, thence
24. To the N.E. corner of the S.E.¼ of the S.E.¼ of said Sec. 21, thence
25. Along the Easterly boundary line of said Sec. 21 to the S.E. corner of said Sec. 21, thence
26. Along the Northerly boundary line of Sec. 27, T. 8, R. 12, to the N.E. corner of the N.W.¼ of said Sec. 27, thence
27. To the S.E. corner of Sec. 26, T. 8, R. 12, thence
28. Along a straight line between the N.W. corner and the S.E. corner of Sec. 36, T. 8, R. 12, to a point where said straight line intersects a projection Northerly of the East line of Sec. 2, T. 9, R. 12, thence
29. Along said last-named projected line and the East line of said Sec. 2 to the S.E. corner of the N.E.¼ of said Sec. 2, thence
30. To the S.W. corner of the N.E.¼ of said Sec. 2, thence
31. To the S.E. corner of the S.W.¼ of said Sec. 2, thence
32. Along the Southerly boundary line of said Sec. 2 to the S.W. corner of the S.E.¼ of the S.W.¼ of said Sec. 2, thence
33. To the S.E. corner of the N.W.¼ of the N.W.¼ of Sec. 11, T. 9, R. 12, thence
34. To the S.W. corner of the N.W.¼ of the N.W.¼ of Sec. 10, T. 9, R. 12, thence
35. Along the West line of Sec. 10 to the N.W. corner of said Sec. 10, thence
36. Along the south line of Sec. 4, T. 9, R. 12, to the S.W. corner of the S.E.¼ of the S.E.¼ of said Sec. 4, thence
37. To the N.W. corner of the S.E.¼ of the S.E.¼ of said Sec. 4, thence
38. To the S.W. corner of the N.W.¼ of the S.E.¼ of said Sec. 4, thence
39. To the N.W. corner of the N.E.¼ of said Sec. 4, being a point in the Southerly boundary line of said County of Riverside, thence
40. Along said boundary line and the Northerly boundary line of said Sec. 4 to the point of beginning.

EXHIBIT "E"

DESCRIPTION OF LANDS OUTSIDE COACHELLA VALLEY COUNTY WATER DISTRICT AND WITHIN THE COACHELLA SERVICE AREA, DESIGNATED THE FISH SPRINGS AREA

All that certain tract of land situate in the County of Imperial, State of California, and in the Townships (designated "T") hereinafter mentioned South, and Ranges (designated "R") hereinafter mentioned East, of the San Bernardino Base Line and Meridian, particularly described as follows, to-wit:

Beginning at the N.E. corner of the N.W.¼ of Sec. 4, T. 9, R. 9, which is a point in the South boundary line of Coachella Valley County Water District and of the County of Riverside and the North Boundary line of the County of Imperial and running thence along said boundary lines and along the Northerly boundary lines of said Sec. 4 and of Sec. 5, T. 9, R. 9:

1. To the N.E. corner of the N.W.¼ of the N.W.¼ of said Sec. 5, thence
2. To the S.E. corner of the S.W.¼ of the N.W.¼ of Sec. 8, T. 9, R. 9, thence
3. To the S.E. corner of the N.W.¼ of said Sec. 8, thence
4. To the S.E. corner of the S.W.¼ of said Sec. 8, thence
5. To the S.E. corner of Sec. 17, T. 9, R. 9, thence
6. To the S.E. corner of Sec. 21, T. 9, R. 9, thence
7. To the S.W. corner of Sec. 12, T. 10, R. 9, thence
8. Along the Southerly boundary line of said Sec. 12 to the S.E. corner of said Sec. 12, thence
9. To the S.E. corner of Sec. 6, T. 10, R. 10, thence
10. To the N.E. corner of the N.W.¼ of said Sec. 6, thence
11. To the S.W. corner of the N.E.¼ of the N.E.¼ of Sec. 16, T. 9, R. 9, thence
12. To the N.E. corner of the N.W.¼ of the S.E.¼ of Sec. 4, T. 9, R. 9, thence
13. To the S.W. corner of the N.E.¼ of said Sec. 4, thence to the point of beginning.

[ITEM 19]

BOULDER CANYON PROJECT

CONTRACT FOR DELIVERY OF WATER

THE UNITED STATES

AND

STATE OF NEVADA

MARCH 30, 1942

(I1r–1399)

1. THIS CONTRACT, made this 30th day of March, nineteen hundred forty-two, pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat. 1057), designated the Boulder Canyon Project Act, and acts amendatory thereof or supplementary thereto, between THE UNITED STATES OF AMERICA (herein-

after referred to as "United States"), acting for this purpose by Abe Fortas, Acting Secretary of the Interior (hereinafter referred to as the "Secretary"), and the STATE OF NEVADA, a body politic and corporate, and its Colorado River Commission (said Commission acting in the name of the State, but as principal in its own behalf as well as in behalf of the State; the term State as used in this contract being deemed to be both the State of Nevada and its Colorado River Commission), acting in pursuance of an act of the Legislature of the State of Nevada, entitled "An Act creating a commission to be known as the Colorado River commission of Nevada, defining its powers and duties, and making an appropriation for the expenses thereof, and repealing all acts and parts of acts in conflict with this act," approved March 20, 1935 (Chapter 71, Stats. of Nevada, 1935);

WITNESSETH THAT:

EXPLANATORY RECITALS

2. WHEREAS, for the purpose of controlling floods, improving navigation, regulating the flow of the Colorado River, providing for storage and for the delivery of stored waters for the reclamation of public lands and other beneficial uses exclusively within the United States, the Secretary, acting under and in pursuance of the provisions of the Colorado River Compact and the Boulder Canyon Project Act, and acts amendatory thereof or supplementary thereto, has constructed and is now operating and maintaining in the main stream of the Colorado River at Black Canyon that certain structure known as and designated Boulder Dam and incidental works, creating thereby a reservoir designated Lake Mead; and

3. WHEREAS, the State is desirous of entering into a contract for the delivery to it of water from Lake Mead:

4. NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to wit:

DELIVERY OF WATER BY THE UNITED STATES

5. (a) Subject to the availability thereof for use in Nevada under the provisions of the Colorado River Compact and the Boulder Canyon Project Act, the United States shall, from storage in Lake Mead, deliver to the State each year at a point or points to be selected by the State and approved by the Secretary, so much water as may be necessary to supply the State a total quantity not to exceed One Hundred Thousand (100,000) acre-feet each calendar year. The right of the State to contract for the delivery to it from storage in Lake Mead of additional water is not limited by this contract. Said water may be used only within the State of Nevada, exclusively for irrigation, household, stock, municipal, mining, milling, industrial, and other like purposes, but shall not be used for the generation of electric power.

(b) Water agreed to be delivered to the State hereunder shall be delivered continuously as far as reasonable diligence will permit, but the United States shall not be obligated to deliver water to the State when for any reason, as conclusively but not arbitrarily determined by the Secretary, such delivery would interfere with the use of Boulder Dam or Lake Mead for river regulation, improvement of navigation, flood control, and/or satisfaction of perfected rights, in or to the waters of the Colorado River, or its tributaries, in pursuance of Article VIII of the Colorado River Compact.

(c) The United States reserves the right, for the purpose of investigation, inspection, maintenance, repairs and replacement or installation of equipment or machinery at Boulder Dam, to discontinue temporarily or reduce the amount of water to be delivered hereunder, but so far as feasible the United States will give the State reasonable notice in advance of such temporary discontinuance or reduction. The United States, its officers, agents and employees shall not be liable for damages when, for any reason whatsoever, suspensions or reductions in delivery of water occur.

(d) This contract is for permanent service, and is made subject to the express condition that the State, upon request of the Secretary, shall submit in writing prior to January 1st of any year, an estimate of the amount of water to be required under this contract for the succeeding calendar year.

RECEIPT OF WATER BY THE STATE

6. The State shall receive the water to be diverted by or delivered to it by the United States under the terms hereof at the point or points of delivery to be hereafter designated as stated in the next preceding article hereof, and shall perform all acts required by law or custom in order to maintain control over such water and to secure and maintain its lawful use and proper diversion from Lake Mead. The diversion and conveyance of such water to places of use shall be without expense to the United States.

MEASUREMENT OF WATER

7. The water to be deliverd to the State hereunder shall be measured at the point or points of diversion from Lake Mead, or at such point or points in any works used by the State to convey water from Lake Mead to its place or places of use as shall be satisfactory to the Secretary, and by such measuring and controlling devices or such automatic gauges or otherwise as shall be satisfactory to the Secretary. Said measuring and controlling devices, or automatic gauges, shall be furnished, installed, and maintained in manner satisfactory to the Secretary, by and at the expense of the State, but they shall be and remain at all times under the complete control of the United States. The State's authorized representative shall be allowed access at all times to said measuring and controlling devices or automatic gauges.

RECORD OF WATER DIVERTED

8. The State shall make full and complete written monthly reports as directed by the Secretary on forms to be supplied by the United States of all water delivered to or diverted by the State from Lake Mead. Such reports shall be made by the fifth day of the month immediately succeeding the month in which the water is diverted.

CHARGE FOR DELIVERY OF WATER

9. A charge of fifty cents ($0.50) per acre-foot shall be made for the diversion by or delivery of water to the State hereunder during the Boulder Dam cost-repayment period, subject to reduction by the Secretary in the amount of the charge if studies show to his satisfaction that the charge is too high. Thereafter, charges shall be on such basis as may hereafter be prescribed by the Congress. Charges shall be made against the State only for the number of acre-feet of water actually delivered to or diverted by it from Lake Mead.

BILLING AND PAYMENTS

10. The State shall pay monthly for all water delivered to it hereunder, or diverted by it from Lake Mead, in accordance with the charge in Article nine (9) hereof established. The United States will submit bills to the State by the tenth day of each month immediately following the month during which the water is delivered or diverted and payments shall be due on the first day of the month immediately succeeding. If such charges are not paid when due, an interest charge of one per centum (1%) of the amount unpaid shall be added thereto as liquidated damages and, thereafter, as further liquidated damages, an additional interest charge of one per centum (1%) of the principal sum unpaid shall be added on the first day of each succeeding calendar month until the amount due, including such interest is paid in full.

REFUSAL OF WATER IN CASE OF DEFAULT

11. The United States reserves the right to refuse to deliver water to the State, or to permit water to be divertd by the State from Lake Mead, in the event of default for a period of more than twelve (12) months in any payment due or to become due to the United States under this contract.

INSPECTION BY THE UNITED STATES

12. The Secretary or his representatives shall at all times have the right of ingress to and egress from all works of the State for the purpose of inspection, repairs, and maintenance of works of the United States, and for all other proper purposes. In each contract made by the State for the redelivery of any part of the water agreed to be delivered to the State hereunder, it shall be provided, for the use and benefit of the United States, that the authorized

representatives of the United States shall at all times have access to measuring and controlling devices, or automatic gauges, over the lands and rights of way of the contractee. The Secretary or his representatives shall also have free access at all reasonable times to the books and records of the State relating to the diversion and distribution of water delivered to or diverted by the State from Lake Mead with the right at any time during office hours to make copies of or from the same.

RULES AND REGULATIONS

13. There is reserved to the Secretary the right to prescribe and enforce rules and regulations governing the delivery and diversion of water hereunder. Such rules and regulations may be modified, revised, and/or extended from time to time after notice to the State and opportunity for it to be heard, as may be deemed proper, necessary, or desirable by the Secretary to carry out the true intent and meaning of the law and of this contract, or amendments hereof, or to protect the interests of the United States. The State hereby agrees that in the operation and maintenance of its diversion works and conduits, all such rules and regulations will be fully adhered to.

AGREEMENT SUBJECT TO COLORADO RIVER COMPACT

14. This contract is made upon the express condition and with the express understanding that all rights hereunder shall be subject to and controlled by the Colorado River Compact, being the compact or agreement signed at Santa Fe, New Mexico, November 24, 1922, pursuant to an Act of Congress approved August 19, 1921, entitled "An Act to permit a compact or agreement between the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming, respecting the disposition and apportionment of the waters of the Colorado River, and for other purposes", which compact was approved in section 13 (a) of the Boulder Canyon Project Act.

PRIORITY OF CLAIMS OF THE UNITED STATES

15. Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured.

CONTRACT CONTINGENT UPON APPROPRIATIONS

16. This contract is subject to appropriations being made by Congress from time to time of money sufficient to provide for the doing and performance of all things on the part of the United States to be done and performed under the terms hereof, and to there being sufficient money available in the Colorado River Dam fund for such purposes. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient money not being so appropriated, or on account of there not being sufficient money in the Colorado River Dam fund for such purposes.

EFFECT OF WAIVER OF BREACH OF CONTRACT

17. All rights of action for breach of any of the provisions of this contract are reserved to the United States as provided in Section 3737 of the Revised Statutes of the United States. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any provision hereof, or of any other subsequent breach of any provision hereof.

REMEDIES UNDER CONTRACT NOT EXCLUSIVE

18. Nothing contained in this contract shall be construed as in any manner abridging, limiting, or depriving the United States or the State of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have.

TRANSFER OF INTEREST IN CONTRACT

19. No voluntary transfer of this contract, or of the rights of the State hereunder, shall be made without the written approval of the Secretary; and any successor or assign of the rights of the State, whether by voluntary transfer, judicial sale, trustee's sale, or otherwise, shall be subject to all the conditions of the Boulder Canyon Project Act, and also subject to all the provisions and conditions of this contract to the same extent as though such successor or assign were the original contractor hereunder; provided, that the execution of a mortgage or trust deed, or judicial or trustee's sale made thereunder, shall not be deemed a voluntary transfer within the meaning of this Article.

NOTICES

20. (a) Any notice, demand or request required or authorized by this contract to be given or made to or upon the United States shall be delivered, or mailed postage prepaid, to the Director of Power, United States Bureau of Reclamation, Boulder City, Nevada, except where, by the terms hereof, the same is to be given or made to or upon the Secretary, in which event it shall be delivered, or mailed postage prepaid, to the Secretary, at Washington, D. C.

(b) Any notice, demand or request required or authorized by this contract to be given or made to or upon the State shall be delivered, or mailed postage prepaid, to the Secretary of the Colorado River Commission of Nevada, Carson City, Nevada.

(c) The designation of any person specified in this article or in any such request for notice, or the address of any such person, may be changed at any time by notice given in the same manner as provided in this article for other notices.

OFFICIALS NOT TO BENEFIT

21. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise

herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

UNCONTROLLABLE FORCES

22. Neither party shall be considered to be in default in respect to any obligation hereunder, if prevented from fulfilling such obligation by reason of uncontrollable forces, the term "uncontrollable forces" being deemed, for the purposes of this contract, to mean any cause beyond the control of the party affected, including but not limited to inadequacy of water, failure of facilities, flood, earthquake, storm, lightning, fire, epidemic, war, riot, civil disturbance, labor disturbance, sabotage, and restrain by court or public authority, which by exercise of due diligence and foresight, such party could not reasonable have been expected to avoid. Either party rendered unable to fulfill any obligation by reason of uncontrollable forces shall exercise due diligence to remove such inability with all reasonable dispatch.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By ABE FORTAS,
Acting Secretary of the Interior,

STATE OF NEVADA, acting by and through its Colorado River Commission,
By E. P. CARVILLE, *Chairman.*

Attest:
ALFRED MERRITT SMITH,
Secretary.

COLORADO RIVER COMMISSION OF NEVADA,
By E. P. CARVILLE, *Chairman,*

Attest:
ALFRED MERRITT SMITH,
Secretary.

Ratified and approved this
21st day of April, 1943.
E. P. CARVILLE,
Governor of the State of Nevada.

Attest:
MALCOLM MCEACHIN,
Secretary of State.

[GREAT SEAL OF THE STATE OF NEVADA]

Approved as to form:
ALAN BIBLE,
Attorney-General of Nevada.

[SEAL]

833942—50—14

CERTIFIED COPY OF RESOLUTION AUTHORIZING EXECUTION OF CONTRACT

I, ALFRED MERRITT SMITH, the duly elected, qualified, acting and authorized Secretary of the Colorado River Commission of Nevada, do hereby certify that the following is a true and correct copy of a resolution duly passed on February 3rd, 1943, by the unanimous vote of the Colorado River Commission of Nevada, and appearing in the minutes of the meeting of said Commission held on that date:

WHEREAS, pursuant to the provisions of the Act of the legislature of the State of Nevada entitled "An Act creating a commission to be known as the Colorado River Commission of Nevada, defining its powers and duties, and making an appropriation for the expenses thereof, and repealing all acts and parts of acts in conflict with this Act," approved March 20, 1935, (Chapter 71, Stats. of Nevada, 1935), being Sections 1443.01-1443.17, Nevada Compiled Laws, Supplement 1931-1941, the Colorado River Commission of Nevada is empowered to receive, protect, safeguard and hold in trust for the State of Nevada all water and water rights, and all other rights, interests or benefits in and to the waters of the Colorado River, and

WHEREAS, the State of Nevada is desirous of entering into a contract with the United States of America for the delivery to it of water from Lake Mead, now, therefore,

BE IT RESOLVED that the proposed contract for the delivery of water between the United States of America, acting by the Secretary of the Interior, and the State of Nevada, a body politic and corporate, and its Colorado River Commission, said Commission acting in the name of the state, but as principal in its own behalf as well as in behalf of the State of Nevada, which proposed contract bears date of March 30, 1942, be and the same is hereby approved by the Commission; and

BE IT RESOLVED that the Chairman and Secretary of the Commission be and they hereby are authorized to execute and sign the said contract between the United States and the state, both acting as aforesaid.

Dated: This 21st day of April, 1943.

ALFRED MERRITT SMITH,
Secretary of the Colorado River, Commission of Nevada.

[SEAL]

CERTIFICATE OF THE SECRETARY OF STATE

I, MALCOLM MCEACHIN, the duly appointed, qualified and acting Secretary of State of the State of Nevada, do hereby certify that Honorable E. P. Carville is now, and was at the time of the execution of that certain contract to which this certificate is attached, concerning the delivery of water from Lake Mead to the State of Nevada, between the Colorado River Commission of the State of Nevada and the United States of America, the duly elected, qualified and acting Governor of the State of Nevada, and, by virtue of said office, was then and is now the Chairman of the Colorado River Commission of Nevada; that Alfred Merritt Smith is now, and was at the time of the execution of said contract, the duly elected, qualified and acting Secretary of the said Colorado River Commission of Nevada; and that the signatures affixed to said contract are the signatures of the said honorable E. P. Carville, Governor of the State of Nevada and Chairman of the Colorado River Commission of Nevada, and of the said Alfred Merritt Smith, the Secretary of the Colorado River Commission of Nevada.

Dated: This 21st day of April, 1943.

MALCOLM MCEACHIN,
Secretary of State of the State of Nevada.

[GREAT SEAL OF THE
STATE OF NEVADA]

[ITEM 20]

BOULDER CANYON PROJECT

SUPPLEMENTAL CONTRACT FOR DELIVERY OF WATER

THE UNITED STATES

AND

STATE OF NEVADA

JANUARY 3, 1944

(11r–1399)

1. THIS SUPPLEMENTAL CONTRACT, made this 3rd day of January, nineteen hundred forty-four, pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat. 1057), designated the Boulder Canyon Project Act, and acts amendatory thereof or supplementary thereto, between THE UNITED STATES OF AMERICA (hereinafter referred to as "United States"), acting for this purpose by Harold L. Ickes, Secretary of the Interior (hereinafter styled "Secretary"), and STATE OF NEVADA, a body politic and corporate, and its Colorado River Commission (said Commission acting in the name of the State, but as principal in its own behalf as well as in behalf of the State; the term State as used in this supplemental contract being deemed to be both the State of Nevada and its Colorado River Commission), acting in pursuance

of an act of the Legislature of the State of Nevada, entitled "An Act creating a commission to be known as the Colorado river commission of Nevada, defining its powers and duties, and making an appropriation for the expenses thereof, and repealing all acts and parts of acts in conflict with this act," approved March 20, 1935 (Chapter 71, Stats. of Nevada, 1935);

WITNESSETH:

EXPLANATORY RECITALS

2. WHEREAS, under date of March 30, 1942, the parties hereto entered into a contract providing, among other things, for the delivery of water to the State each year, from storage in Lake Mead, subject to the availability thereof for use in Nevada under the provisions of the Colorado River Compact and the Boulder Canyon Project Act, so much water as may be necessary to supply the State a total quantity not to exceed One Hundred Thousand (100,000) acre-feet each calendar year, and it is now desired to amend said contract so as to provide for the delivery each calendar year of not to exceed an additional 200,000 acre-feet of water to the State;

3. NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to wit:

DELIVERY OF WATER BY THE UNITED STATES

4. Article 5 (a) of the aforesaid contract of date March 30, 1942, is hereby amended to read as follows:

"Subject to the availability thereof for use in Nevada under the provisions of the Colorado River Compact and the Boulder Canyon Project Act, the United States shall, from storage in Lake Mead, deliver to the State each year at a point or points to be selected by the State and aproved by the Secretary, so much water, including all other waters diverted for use within the State of Nevada from the Colorado River system, as may be necessary to supply the State a total quantity not to exceed Three Hundred Thousand (300,000) acre-feet each calendar year. Said water may be used only within the State of Nevada, exclusively for irrigation, household, stock, municipal, mining, mailing, industrial, and other like purposes, but shall not be used for the generation of electric power."

MODIFICATION OF PRIOR CONTRACT

5. Except as expressly herein amended, the aforesaid contract of date March 30, 1942, shall be and remain in full force and effect.

EFFECTIVE DATE OF SUPPLEMENTAL CONTRACT

6. This supplemental contract shall be of full force and effect immediately upon its execution for and on behalf of the United States.

OFFICIALS NOT TO BENEFIT

7. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this supplemental contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By (Signed) HAROLD L. ICKES,
Secretary of the Interior.

STATE OF NEVADA, *acting by and through* its Colorado River Commission.
By E. P. CARVILLE, *Chairman.*

Attest:
(Signed) ALFRED MERRITT SMITH,
Secretary.

COLORADO RIVER COMMISSION OF NEVADA,
By (Signed) E. P. CARVILLE, *Chairman.*

Attest:
(Signed) ALFRED MERRITT SMITH,
Secretary.

Ratified and approved this
3rd day of January, 1944.
(Signed) E. P. CARVILLE,
Governor of the State of Nevada.

Attest:
(Signed) MALCOLM MCEACHIN,
Secretary of State.

Approved as to form:
(Signed) ALAN BIBLE,
Attorney General of Nevada.

[ITEM 21]

BOULDER CANYON PROJECT

CONTRACT FOR DELIVERY OF WATER

THE UNITED STATES

AND

STATE OF ARIZONA

FEBRUARY 9, 1944

THIS CONTRACT made this 9th day of February, 1944, pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplemental thereto, all of which acts are comonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat. 1057), designated the Boulder Canyon Project Act, and acts amendatory thereof or suplementary thereto, between THE UNITED STATES OF AMERICA, hereinafter referred to as "United States," acting for this purpose by Harold L. Ickes, Secretary of the Interior, hereinafter referred to as the "Secretary," and the STATE OF ARIZONA, hereinafter referred to as "Arizona," acting for this purpose by the Colorado River Commission of Arizona, pursuant to Chapter 46 of the 1939 Session Laws of Arizona,

WITNESSETH THAT:

EXPLANATORY RECITALS

2. WHEREAS, for the purpose of controlling floods, improving navigation, regulaitng the flow of the Colorado River, providing for storage and for the delivery of stored waters for the reclamation of public lands and other beneficial uses exclusively within the United States, the Secretary acting under and in pursuance of the provisions of the Colorado River Compact and Boulder Canyon Project Act, and acts amendatory thereof or supplementary thereto, has constructed and is now operating and maintaining in the main stream of the Colorado River at Black Canyon that certain structure known as and designated Boulder Dam and incidental works, creating thereby a reservoir designated Lake Mead of a capacity of about thirty-two million (32,000,000) acre-feet, and

3. WHEREAS, said Boulder Canyon Project Act provides that the Secretary under such general rules and regulations, as he may prescribe, may contract for the storage of water in the reservoir created by Boulder Dam, and for the delivery of such water at such points on the river as may be agreed upon, for irrigation and domestic uses, and provides further that no person shall have or be entitled to have the use for any purpose of the water stored, as aforesaid, except by contract made as stated in said Act, and

4. WHEREAS, it is the desire of the parties to this contract to contract for the storage of water and the delivery thereof for irrigation of lands and domestic uses within Arizona, and

5. WHEREAS, nothing in this contract shall be construed as affecting the obligations of the United States to Indian tribes,

6. NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to wit:

DELIVERY OF WATER

7. (a) Subject to the availability thereof for use in Arizona under the provisions of the Colorado River Compact and the Boulder Canyon Project Act, the United States shall deliver and Arizona, or agencies or water users therein, will accept under this contract each calendar year from storage in Lake Mead, at a point or points of diversion on the Colorado River approved by the Secretary, so much water as may be necessary for the beneficial consumptive use for irrigation and domestic uses in Arizona of a maximum of 2,800,000 acre-feet.

(b) The United States also shall deliver from storage in Lake Mead for use in Arizona, at a point or points of diversion on the Colorado River approved by the Secretary, for the uses set forth in subdivision (a) of this Article, one-half of any excess or surplus waters unapportioned by the Colorado River Com-

pact to the extent such water is available for use in Arizona under said compact and said act, less such excess or surplus water unapportioned by said compact as may be used in Nevada, New Mexico, and Utah in accordance with the rights of said states as stated in subdivisions (f) and (g) of this Article.

(c) This contract is subject to the condition that Boulder Dam and Lake Mead shall be used: First, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of perfected rights in pursuance of Article VIII of the Colorado River Compact; and third, for power. This contract is made upon the express condition and with the express covenant that the United States and Arizona, and agencies and water users therein, shall observe and be subject to and controlled by said Colorado River Compact and the Boulder Canyon Project Act in the construction, management, and operation of Boulder Dam, Lake Mead, canals and other works, and the storage, diversion, delivery and use of water for the generation of power, irrigation and other uses.

(d) The obligation to deliver water at or below Boulder Dam shall be diminished to the extent that consumptive uses now or hereafter existing in Arizona above Lake Mead diminish the flow into Lake Mead, and such obligation shall be subject to such reduction on account of evaporation, reservoir and river losses, as may be required to render this contract in conformity with said compact and said act.

(e) This contract is for permanent service, subject to the conditions stated in subdivision (c) of this Article, but as to the one-half of the waters of the Colorado River systems unapportioned by paragraphs (a), (b), and (c) of Article III of the Colorado River Compact, such water is subject to further equitable apportionment at any time after October 1, 1963 as provided in Article III (f) and Article III (g) of the Colorado River Compact.

(f) Arizona recognizes the right of the United States and the State of Nevada to contract for the delivery from storage in Lake Mead for annual beneficial consumptive use within Nevada for agricultural and domestic uses of 300,000 acre-feet of the water apportioned to the Lower Basin by the Colorado River Compact, and in addition thereto to make contract for like use of 1/25 (one twenty-fifth of any excess or surplus waters available in the Lower Basin and unapportioned by the Colorado River Compact, which waters are subject to further equitable apportionment after October 1, 1963 as provided in Article III (f) and Article III (g) of the Colorado River Compact.

(g) Arizona recognizes the rights of New Mexico and Utah to equitable shares of the water apportioned by the Colorado River Compact to the Lower Basin and also water unapportioned by such compact, and nothing contained in this contract shall prejudice such rights.

(h) Arizona recognizes the right of the United States and agencies of the State of California to contract for storage and delivery of water from Lake Mead for beneficial consumptive use in California, provided that the aggre-

gate of all such deliveries and uses in California from the Colorado River shall not exceed the limitation of such uses in that State required by the provisions of the Boulder Canyon Project Act and agreed to by the State of California by an act of its Legislature (Chapter 16, Statutes of California of 1929) upon which limitation the State of Arizona expressly relies.

(i) Nothing in this contract shall preclude the parties hereto from contratcing for storage and delivery above Lake Mead of water herein contracted for, when and if authorized by law.

(j) As far as reasonable diligence will permit, the water provided for in this contract shall be delivered as ordered and as reasonably required for domestic and irrigation uses within Arizona. The United States reserves the right to discontinue or temporarily reduce the amount of water to be delivered, for the purpose of investigation and inspection, maintenance, repairs, replacements or installation of equipment or machinery at Boulder Dam, or other dams heretofore or hereafter to be constructed, but so far as feasible will give reasonable notice in advance of such temporary discontinuance or reduction.

(k) The United States, its officers, agents and employees shall not be liable for damages when for any reason whatsoever suspensions or reductions in the delivery of water occur.

(l) Deliveries of water hereunder shall be made for use within Arizona to such individuals, irrigation districts, corporations or political subdivisions therein of Arizona as may contract therefor with the Secretary, and as may qualify under the Reclamation Law or other federal statutes or to lands of the United States within Arizona. All consumptive uses of water by users in Arizona, of water diverted from Lake Mead or from the main stream of the Colorado River below Boulder Dam, whether made under this contract or not, shall be deemed, when made, a discharge pro tanto of the obligation of this contract. Present perfected rights to the beneficial use of waters of the Colorado River system are unimpaired by this contract.

(m) Rights-of-way across public lands necessary or convenient for canals to facilitate the full utilization in Arizona of the water herein agreed to be delivered will be granted by the Secretary subject to applicable federal statutes.

POINTS OF DIVERSION: MEASUREMENTS OF WATER

8. The water to be delivered under this contract shall be measured at the points of diversion, or elsewhere as the Secretary may designate (with suitable adjustment for losses between said points of diversion and measurement), by measuring and controlling devices or automatic gauges approved by the Secretary, which devices, however, shall be furnished, installed, and maintained by Arizona, or the users of water therein in manner satisfactory to the Secretary; said measuring and controlling devices or automatic gauges shall be subject to the inspection of the United States, whose authorized representatives may at all times have access to them, and any deficiencies found shall be promptly corrected

by the users thereof. The United States shall be under obligation to deliver water only at diversion points where measuring and controlling devices or automatic gauges are maintained, in accordance with this contract, but in the event diversions are made at points where such devices are not maintained, the Secretary shall estimate the quantity of such diversions and his determination thereof shall be final.

CHARGES FOR STORAGE AND DELIVERY OF WATER

9. No charge shall be made for the storage or delivery of water at diversion points as herein provided necessary to supply present perfected rights in Arizona. A charge of 50c per acre-foot shall be made for all water actually diverted directly from Lake Mead during the Boulder Dam cost repayment period, which said charge be paid by the users of such water, subject to reduction by the Secretary in the amount of the charge if it is concluded by him at any time during said cost-repayment period that such charge is too high. After expiration of the cost-repayment period, charges shall be on such basis as may hereafter be prescribed by Congress. Charges for the storage or delivery of water diverted at a point or points below Boulder Dam, for users, other than those specified above, shall be as agreed upon between the Secretary and such users at the time of execution of contracts therefor, and shall be paid by such users; provided such charges shall, in no event, exceed 25c per acre-foot.

RESERVATIONS

10. Neither Article 7, nor any other provision of this contract, shall impair the right of Arizona and other states and the users of water therein to maintain, prosecute or defend any action respecting, and is without prejudice to, any of the respective contentions of said states and water users as to (1) the intent, effect, meaning, and interpretation of said compact and said act; (2) what part, if any, of the water used or contracted for by any of them falls within Article III (a) of the Colorado River Compact; (3) what part, if any, is within Article III (b) thereof; (4 what part, if any, is excess or surplus waters unapportioned by said Compact; and (5) what limitations on use, rights of use and relative priorities exist as to the waters of the Colorado River system; provided, however, that by these reservations there is no intent to disturb the apportionment made by Article III (a) of the Colorado River Compact between the Upper Basin and the Lower Basin.

DISPUTES AND DISAGREEMENTS

11. Whenever a controversy arises out of this contract, and if the parties hereto then agree to submit the matter to arbitration, Arizona shall name one arbitrator and the Secretary shall name one arbitrator and the two arbirators

thus chosen shall meet within ten days after their selection and shall elect one other arbitrator within fifteen days after their first meeting, but in the event of their failure to name the third arbitrator within thirty days after their first meeting, such arbitrator not so selected shall be named by the Senior Judge of the United States Circuit Court of Appeals for the Tenth Circuit. The decision of any two of the three arbitrators thus chosen shall be a valid and binding award.

RULES AND REGULATIONS

12. The Secretary may prescribe and enforce rules and regulations governing the delivery and diversion of waters hereunder, but such rules and regulations shall be promulgated, modified, revised or extended from time to time only after notice to the State of Arizona and opportunity is given to it to be heard. Arizona agrees for itself, its agencies and water users that in the operation and maintenance of the works for diversion and use of the water to be delivered hereunder, all such rules and regulations will be fully adhered to.

AGREEMENT SUBJECT TO COLORADO RIVER COMPACT

13. This contract is made upon the express condition and with the express covenant that all rights of Arizona, its agencies and water users, to waters of the Colorado River and its tributaries, and the use of the same, shall be subject to and controlled by the Colorado River Compact signed at Santa Fe, New Mexico, November 24, 1922, pursuant to the Act of Congress approved August 19, 1921 (42 Stat. 171), as approved by the Boulder Canyon Project Act.

EFFECTIVE DATE OF CONTRACT

14. This contract shall be of no effect unless it is unconditionally ratified by an Act of the Legislature of Arizona, within three years from the date hereof, and further, unless within three years from the date hereof the Colorado River Compact is unconditionally ratified by Arizona. When both ratifications are effective, this contract shall be effective.

INTEREST IN CONTRACT NOT TRANSFERABLE

15. No interest in or under this contract, except as provided by Article 7 (1), shall be transferable by either party without the written consent of the other.

APPROPRIATION CLAUSE

16. The performance of this contract by the United States is contingent upon Congress making the necessary appropriations for expenditures for the

completion and the operation and maintenance of any dams, power plants or other works necessary to the carrying out of this contract, or upon the necessary allotments being made therefor by any authorized federal agency. No liability shall accrue against the United States, its officers, agents or employees by reason of the failure of Congress to make any such appropriations or of any federal agency to make such allotments.

MEMBER OF CONGRESS CLAUSE

17. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

DEFINITIONS

18. Wherever terms used herein are defined in Article II of the Colorado River Compact or in Section 12 of the Buolder Canyon Project Act, such definitions shall apply in construing this contract.

19. IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By HAROLD L. ICKES,
Secretary of the Interior.

STATE OF ARIZONA, acting by and through its Colorado River Commission.
By HENRY S. WRIGHT, *Chairman.*
By NELLIE T. BUSH, *Secretary*

Approved this 7th day
of February, 1944.
SIDNEY P. OSBORN,
Governor of the State of Arizona.

[ITEM 22]

BOULDER CANYON PROJECT

CONTRACT FOR CONSTRUCTION AND LEASE OF AQUEDUCT

THE UNITED STATES

AND

CITY OF SAN DIEGO

OCTOBER 17, 1945

(NOy–13300)

THIS NEGOTIATED CONTRACT made this 17th day of October, 1945, between the UNITED STATES OF AMERICA (hereinafter called the "Government"), represented by the CHIEF OF THE BUREAU OF YARDS AND DOCKS, NAVY DEPARTMENT (hereinafter called the "Contracting Officers") and the CITY OF SAN DIEGO (hereinafter called the "City"), a municipal corporation organized and existing under and by virtue of the laws of the State of California.

WITNESSETH:

WHEREAS, it is recognized that the deficiency of the water supply in San Diego County, California, has become of emergency importance to the Govern-

ment, owing to the large Naval, other military, Federal housing and other Government installations in the area; and

WHEREAS, as a result of extended studies by the interested parties a joint program has been formulated as hereinafter provided which it is anticipated will effectively eliminate such water supply deficiency; and

WHEREAS, the Contracting Officer has determined that the accomplishment of the provisions of this contract, including the furnishing by the Government of extensive facilities on the terms provided, is necessary in the interest of the national defense;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE 1—FACILITIES TO BE FURNISHED BY GOVERNMENT AND LEASE THEREOF

(a) The Government, at its own expense, shall diligently prosecute to completion a steel and concrete Aqueduct running from a connection with the Colorado River aqueduct of the Metropolitan Water District of Southern California near the west portal of San Jacinto tunnel in Riverside County, to San Vicente Reservoir, in San Diego County, which undertaken project is hereinafter referred to in its entirety as the "Aqueduct," and includes the entire structure and appurtenances thereto together with those rights in real property acquired by the Government for its construction or operation. The Aqueduct shall be constructed in accordance with the presently existing Government specifications therefor (such specifications being generally identified as Bureau of Yards and Docks Specifications numbered 16713, 16781, 17270, 16954, 17383, 16998, 16254, and likewise the specifications contained in Bureau of Supplies and Accounts Contract N5sy 3213, and also including such additional specifications as the Contracting Officer may deem desirable for the completion of the work), which specifications are by this reference made a part hereof. The Government may make such changes in such specifications as it may deem proper, provided, however, that no fundamental changes therein will be made without first consulting with the City. The estimated cost of the Aqueduct is $14,500,000 and the estimated completion date is May, 1947, but neither party guarantees such amount or date nor sponsors either of them as a material representation hereunder.

(b) Upon completion of the Aqueduct as determined by the Contracting Officer, the Government shall deliver the possession thereof to the City for use in its water system and upon the following lease basis:

(i) After the date of delivery of possession to it the City shall thereafter repair, maintain and operate such Aqueduct and shall be responsible for the safekeeping thereof regardless of the cause of loss or damage thereto and for all charges and assessments of whatsoever type or nature theraftr accruing against the same, it being intended that after the date of such delivery of pos-

session under this lease the Government shall be without financial obligation or liability with respect to such property and that such property shall be maintained intact and free of encumbrance. The City shall hold the Government, its officers, agents and employees, harmless from any claims or liabilities arising out of the City's operations or other activities under this lease and shall not permit of the attachment of any encumbrance whatsoever to such Government property. The Government shall have access to the premises leased hereunder at all reasonable times for inspection or other proper purposes. Should the City fail in any of its undertakings under this paragraph, the Government, at its option and without prejudice to such other rights as it may have, may enter the premises and remedy such default or any part thereof and charge the actual cost thereof to the City plus 15% to cover overhead and general expense, which total amount together with interest at the rate of 4% per annum from the date of expenditure to the date of payment shall be paid to the Government by the City on June 1 immediately succeeding the date when the Government completes or discontinues the remedying of such default or part thereof.

(ii) Title to the Aqueduct shall remain in, and title to all replacements and improvements thereto made during the life of this lease shall vest in, the Government.

(iii) The annual rental under this lease shall be $500,000. The lease period shall commence to run from the date the Government delivers possession of the Aqueduct to the City. Such annual payment shall be divided into quarterly payments of $125,000 each, the first of such payments to be made within three months of said date of delivery of the Aqueduct and the remainder quarterly thereafter.

(iv) This lease shall continue until such time as the City has paid to the Government in rentals the full amount of the true cost to the Government, as defined in Article 3, of the Aqueduct. During the term of this lease the City shall have the right and option to purchase said Aqueduct from the Government upon the terms and conditions contained in either of the following subparagraphs (1) and (2), the option in each being deemed independent of the option in the other:

(1) At intervals of five years the City may in writing request the Contracting Officer to name and fix a purchase price of said Aqueduct, and thereafter the City may purchase said Aqueduct for the price so named, and thus terminate the lease; provided that if the City is unable to pay the price so fixed out of the annual revenues of said City for the year in which said option is exercised, then said purchase by said City must be first authorized by a vote of two-thirds of the qualified electors of said City voting at an election held for that purpose. The ratification of said purchase shall be authorized by said electors within one year following the notice by said City that it desires to exercise the option. This right or option on the part of the City to purchase said Aqueduct shall inure to the benefit of any assignee of the City under an assignment pursuant to the provisions of Article 5.

(2) Upon receipt in writing from said City the Contracting Officer shall furnish to said City in writing the true cost to the Government of said Aqueduct. Thereupon the

City shall have the right and option to purchase said Aqueduct by paying to said Government said true cost of said Aqueduct, provided that the purchase has been first authorized by a vote of two-thirds of the qualified electors of said City voting at an election held for that purpose, if the City is unable to pay said price out of the annual revenue for said year. In event that said purchase is so authorized by said electors at said election the Government shall convey to said City all of its right, title and interest in and to said Aqueduct and appurtenances, upon payment to said Government of the full and true cost of said Aqueduct, minus any rentals theretofore paid by said City under the terms and provisions of this lease-contract.

(v) Notwithstanding any of the foregoing provisions, this lease shall not continue for a period of more than thirty-two (32) years from date of delivery to the City. Should this lease terminate by reason of the expiration of such period, except such termination as may be occasioned by the City exercising the option to purchase, as hereinabove provided, then the Aqueduct, together with all replacements and improvements, shall be redelivered to the Government, free of encumbrance, and in as good condition as when delivered to the City, reasonable wear and tear excepted.

ARTICLE 2—FACILITIES AND SERVICE TO BE FURNISHED BY CITY

(a) The City, at its own expense, shall diligently prosecute to completion that water treatment plant and additions to the water transportation system and connections to the distribution system as contemplated by the City Bond Issue approved at the election held in said City on the 17th day of April, 1945.

(b) The City shall diligently pursue and the Council of said City shall forthwith take such legal steps as may be necessary and authorized by law to secure an adequate supply of water from the Metropolitan Water District of Southern California to be supplied through said Aqueduct.

(c) The City shall exert every reasonable effort to supply all Government agencies and establishments within the area with an adequate supply of fresh, clear and potable water at applicable and non-discriminatory rates, provided, however, that this agreement shall in no way estop the Government from taking appropriate action with respect to any rates or service which it may deem unreasonable or otherwise improper. This stated obligation of service shall not be limited to any particular source of water.

ARTICLE 3—TRUE COST TO GOVERNMENT OF AQUEDUCT

(a) The true cost to the Government of the Aqueduct is herein defined as the sum of (i) the cost of acquisition of all rights in real property acquired for either the construction or operation of the Aqueduct, including incidental costs such as appraisals, surveys, maps, title evidence, court costs, and the like, (ii) the cost of construction contracts utilized in the accomplishment of the Aqueduct plus the reasonable value of Government-furnished material and

equipment furnished with respect thereto, and (iii) those costs incurred in the field for Government or other employees (exclusive of naval officers) and equipment in connection with the work on the Aqueduct (excluding that required in the preparation of presently existing specifications which the Contracting Officer finds to be in excess of those costs which would have been incident to the ordinary maintenance of Government establishments in the absence of such work.

(b) It is anticipated that the City and the Contracting Officer will be able to agree upon all items of such true cost. To the extent agreement is reached, such agreement shall, in the absence of fraud, supersede for the items covered the application of the above stated definition of true cost. To the extent that agreement is not reached, the determination of whether disputed items are a part of true cost within said definition shall be deemed a question of fact within the meaning of Article 9 hereof.

ARTICLE 4—RIGHT OF REENTRY UPON DEFAULT

Should the City, after the delivery to it of possession of the Aqueduct as hereinabove provided, default or continue in default in any of the rental payments to be made by it to the Government or in any of its other undertakings hereunder, whether included in the lease arrangement or otherwise, and remain in such default after sixty (60) days from written notice to it from the Contracting Officer to remedy such default, then the Government at its option and without prejudice to such other rights as it may have, may re-enter and take exclusive possession of such Aqueduct, with or without process of law, and free and clear of any obligation in respect thereto to the City or any one claiming through the City. Rental payments made by the City prior to the date of such re-entry shall be retained by the Government and any rental payments accrued but unpaid on such date (and for this purpose rent shall be deemed to accrue pro rata from day to day) shall be forthwith paid to the Government, all such payments being deemed to be compensation for the use of the Aqueduct during the period of the City's possession.

ARTICLE 5—ASSIGNMENT

Neither this contract, nor any interest therein, nor any claim arising thereunder, shall be transferred by the City to any party or parties without the written approval thereto of the Government; provided, however, that the Government will consent to the assignment of the City's rights and interests herein to either the Metropolitan Water District of Southern California and/or the San Diego County Water Authority, upon such terms and conditions as may then be deemed reasonable by the Contracting Officer for the purpose of preserving the intent of this agreement and the protection of the Government's interests therein.

ARTICLE 6—FAILURE TO INSIST ON COMPLIANCE—
REMEDIES NOT EXCLUSIVE

Failure of the Government in any one or more instances to insist upon strict performance of any of the terms of this contract or to exercise any provided right or option herein conferred, shall not be construed as a waiver or relinquishment for the future of any such terms, options or rights. Nothing contained in this contract shall be construed as in any manner abridging, limiting, or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have.

ARTICLE 7—COVENANT AGAINST CONTINGENT FEES

The City warrants that it has not employed any person to solicit or secure this contract upon any agreement for a commission, percentage, brokerage or contingent fee. Breach of this warranty shall give the Government the right to annul the contract, or, in its discretion, to deduct from the contract price or consideration the amount of such commission, percentage, brokerage, or contingent fees.

ARTICLE 8—OFFICIALS NOT TO BENEFIT

No member of or Delegate to Congress or Resident Commissioner shall be admited to any share or part of this contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 9—DISPUTES

Except as otherwise specifically provided in this contract, all disputes concerning questions of fact arising under this contract shall be decided by the Contracting Officer, subject to written appeal by the City within 30 days to the Secretary of the Navy or his duly authorized representative, whose decision shall be final and conclusive. Pending decision, the City shall diligently proceed with performance.

ARTICLE 10—NONDISCRIMINATION IN EMPLOYMENT

The City in performing work under this contract shall not discriminate against any employee or applicant for employment because of race, creed, color or national origin. The City shall include an identical provision in all of its subcontracts. For the purposes of this article, subcontracts shall include all purchase orders and agreements to perform all or any part of the work, or to make

or furnish any article required for the performance of this contract, except purchase orders or agreements for the furnishing of standard commercial articles or raw materials.

ARTICLE 11—LABOR PROVISIONS

In the event the City accomplishes any of its undertakings hereunder by private contract, such contract or contracts shall contain appropriate provisions to assure compliance with the following acts to the extent the same are applicable:

Davis Bacon Act (U.S.C. 276 a as amended); Copeland Act (40 U.S.C. 276 b and 276 c); and The Eight Hour Law (40 U.S.C. 321, 324-6, as in part modified by Section 303 of Pub. Act. No. 781, 76th Congress, approved Sept. 9, 1940).

ARTICLE 12—CONTRACTING OFFICER

The designation "Contracting Officer" means the Chief of the Bureau of Yards and Docks or any one authorized to act for him.

This negotiated contract is made pursuant to the provisions of the First War Powers Act, 1941, the Second War Powers Act, 1942, and the Act of July 2, 1940 (54 Stat. 712).

IN WITNESS WHEREOF the parties hereto have executed this contract the day and year first above written.

UNITED STATES OF AMERICA,
By (S) B. MOREELL,
Chief of the Bureau of Yards and Docks, Navy Department.

THE CITY OF SAN DIEGO,
By (S) F. A. RHODES, *City Manager.*

Witnesses:
(S) KIRBY SMITH.
(S) FRED A. HEILBRON.

I hereby aprove the form and legality of the foregoing Contract, this 17th day of October, 1945.

(S) J. F. DUPAUL,
City Attorney.

RESOLUTION NO. 81910

BE IT RESOLVED By the Council of The City of San Diego, as follows:

That the City Manager of The City of San Diego be, and he is hereby authorized, for and on behalf of said City, to enter into a contract with the United States of America, represented by the Chief of the Bureau of Yards and Docks, Navy Department, wherein the Government leases to said City the Colorado River Aqueduct upon its completion for a term of not to exceed thirty eight (38 years, for an annual rental of at least $500,000, together with an option agreement wherein said City shall have the right to purchase said Aqueduct at any time during said period at a price to be fixed by said Government, said purchase, if required by law, to be first authorized by a vote of two-thirds of the qualified electors of said City.

Approved as to form by
J. F. DUPAUL,
City Attorney.

Passed and adopted by the said Council of the said City of San Diego, California, this 15th day of October, 1945, by the following vote, to-wit:

Yeas: Councilmen: Crary, Wincote, Boud, Dail, Austin, Mayor Knox.
Nays: Councilmen: None.
Absent: Councilman: Hartley.

HARLEY E. KNOX,
Mayor of the City of San Diego, California.
FRED W. SICK,
City Clerk of the City of San Diego, Calif.
By AUGUST M. WADSTROM, *Deputy.*

I HEREBY CERTIFY that the above and foregoing resolution was passed by the Council of the said City of San Diego, at the time and by the vote, above stated.

FRED W. SICK,
City Clerk of the City of San Diego, Calif.
By AUGUST M. WADSTROM, *Deputy.*

[SEAL]

SUPPLEMENTAL AGREEMENT NO. 1

BETWEEN

UNITED STATES OF AMERICA

THE CITY OF SAN DIEGO AND SAN DIEGO COUNTY

WATER AUTHORITY

THIS SUPPLEMENTAL AGREEMENT No. 1 entered into as of the 23rd day of September, 1946, between the UNITED STATES OF AMERICA, hereinafter called the "Government," represented by the Chief of the Bureau of Yards and Docks, Navy Department; THE CITY OF SAN DIEGO, a municipal corporation, organized and existing under and by virtue of the laws of the State of California, hereinafter called the "City"; and the SAN DIEGO COUNTY WATER AUTHORITY, a public corporation, organized and existing under and by virtue of the laws of the State of California, hereinafter called the "Authority,"

WITNESSETH:

WHEREAS, The Government and the City, under date of October 17, 1945, entered into Contract NOy-13300 (hereinafter called the "Contract") wherein the Government undertook to construct, and the City undertook to lease, operate and maintain, an aqueduct from a connection with the Colorado River Aqueduct of the Metropolitan Water District of Southern California, near the West Portal of the San Jacinto Tunnel in Riverside County, to San Vicente Reservoir in San Diego County, and wherein certain options to purchase said aqueduct are granted to City; and

WHEREAS, there is now pending between the City and the Government a proposal for the amendment of the Contract to provide for the retention of title by The Metropolitan Water District of Southern California to certain connection facilities; and

WHEREAS, as a step in the annexation of the corporate area of the Authority (of which the corporate areas of the City is a part) to the Metropolitan Water District of Southern California, as a means of securing a supply of water for the Authority, it is necessary or desirable to transfer the said Contract from the City to the Authority; and

WHEREAS, the legal characteristics of the Authority differ in some particulars from the legal characteristics of the City, and some of the obligations of the City under the said contract cannot be performed physically by the Authority, but the City, as a part of the Authority, will continue to be benefited by the said Contract;

NOW, THEREFORE, in consideration of the premises, it is agreed as follows:

1. Contingent upon the annexation of the Authority to the Metropolitan Water District of Southern California, the said Contract, subject to the following qualifications and amendments, is hereby assigned by the City to the Authority and the Authority hereby accepts and assumes the same and the Government accepts the Authority as Obligor in said Contract in lieu of the City;

Provided that this agreement shall be of no force or effect until and unless:

(a) A majority of the qualified electors of the City voting on the proposition shall authorize the transfer and assignment to the District by the City of its rights and obligations under the Water Delivery Contract between the Government and the City, dated February 15, 1933, relating to the waters of the Colorado River;

(b) A majority of the qualified electors of the City voting on the proposition shall authorize the transfer and assignment to the Authority of the City's rights and obligations under the Contract dated October 17, 1945 (NOy-13300) granting the City a lease of the aqueduct being constructed by the United States Navy from San Jacinto Tunnel to San Vicente Reservoir, except the City's obligation under Article 2(a) of said Contract to construct a water treatment plant and other works as contemplated by the City bond issue approved April 17, 1945, and the obligation under Article 2(c) of said Contract that the City supply all Government agencies within the area with an adequate supply of water at nondiscriminatory rates, and on condition that if the Authority shall cease to be a portion of the corporate areas of the Metropolitan Water District of Southern California, the said Lease-Contract shall revert to the City, subject to all modifications, defaults or acts of the Authority, affecting the said Lease-Contract;

(c) A majority of the qualified electors of the Authority voting on the proposition shall authorize the acceptance of the rights and the assumption by the Authority of the obligations transferred to the authority by the assignment of the Contract dated October 17, 1945 (NOy-13300) in accordance with this agreement;

(d) The corporate area of the Authority shall, prior to December 31, 1946, completely be annexed to and become a portion of the corporate area of The Metropolitan Water District of Southern California; and

Provided further, that the Authority shall be bound by and shall take subject to all modifications, defaults and acts affecting the Contract entered into, suf-

fered or committed by the City before this agreement becomes of force and effect.

2. Article 1, subdivision (b), paragraph iv, subdivisions (1) and (2) are hereby amended to read as follows:

(1) At intervals of five years the City may in writing request the Contracting Officer to name and fix a purchase price of said Aqueduct, and thereafter the City may purchase said Aqueduct for the price so named, and thus terminate the lease. This right or option on the part of the City to purchase said Aqueduct shall inure to the benefit of any assignee of the City under an assignment pursuant to the provisions of Article 5.

(2) Upon request in writing from said City the Contracting Officer shall furnish to said City in writing the true cost to the Government of said Aqueduct. Thereupon the City shall have the right and option to purchase said Aqueduct by paying to said Government said true cost of said Aqueduct, and upon payment to the said Government of the full and true cost of said Aqueduct, minus any rentals therefor paid by the said City under the terms and provisions of this Lease Contract, the Government shall convey to said City all of its right, title and interest in and to the said Aqueduct and its appurtenances. This right or option on the part of the City to purchase said Aqueduct shall inure to the benefit of any assignee of the City under an assignment pursuant to the provisions of Article 5.

3. Said Contract is hereby amended by adding to Article 1, subdivision (b), paragraph iv, an additional subdivision to be designated "(3)", and to read as follows:

(3) Upon the completion of payment of rentals by the City or its assignee to the Government in an amount equal to the true cost of the said Aqueduct as defined in Article 3 of this Contract, the Government shall convey to the City, or its assignee, all of its right, title and interest, in and to the said Aqueduct and its appurtenances.

4. The obligations of subdivisions (a) and (c) of Article 2 shall remain with, and be performed by, the City.

5. In addition to the reasons specified heretofore, this supplemental contract shall be void and of no force or effect in the event the corporate area of the Authority shall cease to be a portion of the corporate area of The Metropolitan Water District of Southern California, in which event said Contract shall be revived and reinstated and shall become severally operative with the City as party thereto;

Provided, however, that the City shall receive credit for any and all payments made to the Government while this Agreement is in full force and effect, and that the City shall be bound by and shall succeed subject to all modifications, defaults or acts affecting the Contract theretofore entered into, suffered or committed by the Authority.

6. Except as herein specifically provided, said Contract, as so amended and assigned, shall be and remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this instrument the day and year first above written.

THE UNITED STATES OF AMERICA,
By (S) R. H. MEADE (CEC) USN,
Chief of the Bureau of Yards and Docks,
Navy Department.

THE CITY OF SAN DIEGO,
By (S) F. A. RHODES, *City Manager.*

Attest:
(S) FRED W. SICK, *City Clerk.*

SAN DIEGO COUNTY WATER AUTHORITY,
By (S) J. BUCKHOLDER, *General Manager.*

Attest:
(S) ELEANOR LONGFELLOW,
Executive Secretary.

I hereby approve the form and legality of the within Supplemental Agreement this 20 day of September, 1946.

(S) J. F. DUPAUL, *City Attorney.*

SUPPLEMENTARY AGREEMENT NO. 2.

MODIFICATION OF CONTRACT NOy-13300
WITH
THE CITY OF SAN DIEGO, CALIFORNIA

WHEREAS, a negotiated contract dated October 17, 1945, between the UNITED STATES OF AMERICA, (hereinafter called the Government) represented by the Chief of the Bureau of Yards and Docks, Navy Department, Washington, D. C., and The City of San Diego, California (hereinafter called the City) provides for the construction by the Government of a steel and concrete aqueduct running from a connection with the Colorado River Aqueduct of The Metropolitan Water District of Southern California near the west portal of the San Jacinto Tunnel, Riverside County, to San Vicente Reservoir, San Diego County, and further provides for the delivery of possession of said aqueduct to the City under certain lease conditions as specified in said contract; and

WHEREAS, this contract further provides, in Article 1, Section (a) that the Aqueduct project shall include the entire structure and appurtenances thereto, together with the rights in real property acquired by the Government for its construction or operation, and also provides in Article 1, Section (b) (ii) that title to the Aqueduct shall remain in, and title to all replacements and improvements thereto made during the life of the lease shall vest in, the Government, and finally provides for the acquisition by the City of title to said Aqueduct as so defined under the provisions set out in Article 1, Section (b) (iv); and

WHEREAS, a Stipulation for Judgment as to Parcels 1-A and 1-B only has been entered into by the Government and The Metropolitan Water District of Southern California in that condemnation action entitled, "United States of America, Plaintiff, vs. 78 Parcels of Land in the County of Riverside, State of California; The Metropolitan Water District of Southern California, a municipal corporation, et al., Defendants, No. 4880-WM-Civil," in the District Court of the United States in and for the Southern District of California, Central Division, and said Stipulation and Final Judgment and Decree thereon were filed in said action on July 3, 1946; and

WHEREAS, by said Stipulation for Judgment and said Final Judgment and Decree in Condemnation it is adjudged that title to the transition and diversion structures to be constructed by the Government at the west portal of the San Jacinto Tunnel of The Metropolitan Water District of Southern California, pursuant to the provisions of the temporary easement therein described and defined as Parcel 1-B, will not vest in the Government but will vest in The Metropolitan Water District of Southern California; and

WHEREAS, the City by Resolution No. 83328 of its council on May 30, 1946, has concurred in this Stipulation for Judgment and Final Judgment and Decree in Condemnation and approves this vesting of title to said transition and diversion structures in The Metropolitan Water District of Southern California:

NOW, THEREFORE, it is hereby mutually agreed between the Government and the City that the aforesaid contract be modified by adding to Article 1, Section (b) a new subsection (vi) as follows: "(vi) For the purpose of determining the true cost and/or purchase price the Aqueduct shall include the transition and diversion structures constructed by the Government at the west portal of the San Jacinto Tunnel of The Metropolitan Water District of Southern California, upon land of said District, pursuant to the provisions of the temporary easement described and designated as Parcel 1-B in the condemnation action entitled, 'United States of America, Plaintiff, vs. 78 Parcels of Land in the County of Riverside, State of California; The Metropolitan Water District of Southern California, a municipal corporation, et al., Defendants, No. 4880-WM-Civil,' in the District Court of the United States in and for the Southern District of California, Central Division; but for the purpose of delivering posession to the City, of retention of title in the Government and of conveyance of title to the City, the Aqueduct shall not include the said transition and diversion structures, and title to the said transition and diversion structures shall vest, be, and remain, in the said District."

IN WITNESS WHEREOF the parties hereto have executed this contract this 29th day of October 1946.

UNITED STATES OF AMERICA,
By (S) R. H. MEADE (CEC), USN
Chief of the Bureau of Yards and Docks, acting under the direction of the Secretary of the Navy.

THE CITY OF SAN DIEGO,
By (S) F. A. RHODES, *City Manager.*

Attest:
(S) FRED W. SICK, *City Clerk.*

Approved as to form:
(S) J. F. DUPAUL, *City Attorney.*

The foregoing Modification of Contract NOy–13300 is approved.

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA,
By (S) J. M. GAYLORD,
Chief Electrical Engineer.

Attest:
(S) A. L. GRAM, *Executive Secretary.*

Approved as to form:
(S) JAMES H. HOWARD, *General Counsel.*

SUPPLEMENTAL AGREEMENT NO. 3

BETWEEN

UNITED STATES OF AMERICA

AND

THE SAN DIEGO COUNTY WATER AUTHORITY

(NOy—1330)

THIS SUPPLEMENTAL AGREEMENT No. 3 entered into as of the 11th day of December, 1947, between the UNITED STATES OF AMERICA, hereinafter called the "Government," represented by the Chief of the Bureau of Yards and Docks, Navy Department, and THE SAN DIEGO COUNTY WATER AUTHORITY, a public corporation, organized and existing under and by virtue of the laws of the State of California, hereinafter called the "Authority,"

WITNESSETH:

WHEREAS, the Govermnent and the City of San Diego under date of October 17, 1945, entered into Contract NOy–13300 wherein the Government undertook to construct, and the City undertook to lease, operate and maintain, an aqueduct from a connection with the Colorado River Aqueduct of the Metropolitan Water District of Southern California, near the West Portal of the San Jacinto Tunnel in Riverside County, to San Vicente Reservoir in San Diego County; and

WHEREAS, by virtue of compliance with the terms and conditions of Supplemental Agreement No. 1 to Contract NOy–13300, entered into as of the 23rd day of September 1946, the Authority is the assignee of the City's rights and obligations under Contract NOy–13300; and

WHEREAS, the Aqueduct is presently in a state of useable but not final completion; and

WHEREAS, due to the existing water emergency, the parties hereto desire to provide for the interim possession and operation of the Aqueduct by the Authority pending its final completion;

NOW, THEREFORE, in consideration of the premises, it is agreed as follows:

1. The Authority, as the permittee of the Government for purposes of operation and maintenance, hereby is granted and assumes possession of the Aqueduct, including field office buildings, equipment and facilities at Escondido, Vista and Rainbow.

2. The Authority will pay for costs and expenses of operation, maintenance and repair, regardless of the cost of loss or damage, of the Aqueduct, provided that the Authority shall not be obligated to and shall not assume or make repairs or replacements covered by pending Governmental construction contracts.

3. The Authority will hold the Government, its officers, agents and employees harmless from any and all damages or liabilities directly or indirectly resulting from the possession and operation of the Aqueduct by the Authority.

4. The permission granted the Authority pursuant to this Supplemental Agreement will include permission to the Authority to arrange with the Metropolitan Water District of Southern California for the operation and maintenance by the Metropolitan Water District of the northerly half of the Aqueduct, being the section northerly station 1920–00 Y&D Drawing No. 386014 as heretofore agreed upon by the Authority and the District.

5. Any structures, buildings, roads, telephone lines and/or other facilities, necessary or convenient to the operation of the Aqueduct as determined by the Authority or Metropolitan Water District, may be placed upon the right of way of the Aqueduct by the Authority or Metropolitan Water District. All such facilities so constructed shall remain the property of the agency making the installation and may be removed at the expense of such agency and at the option of such agency or the Government, provided that no injury to Governmental property shall result from such removal.

6. The operation of the Aqueduct by the Authority, its agents and employees shall be in such manner, in such parts and to such extent as the Officer-in-Charge of Construction shall authorize, and the Authority, in such operation and maintenance, shall not interfere with or obstruct the work or activities of the Government Contractors engaged in construction of the Aqueduct or of the Government and its employees in supervising such construction. The Government shall further have the right to enter upon the Aquedut at any time during the existance of this Supplemental Agreement for the purpose of inspecting the Aqueduct.

7. Except as herein provided, the rights and obligations of the parties under Contract NOy–13300 as amended to date shall not be affected or altered by this Supplemental Agreement.

8. Possession and operation of the Aqueduct as provided for herein shall continue until completion of the Aqueduct and until delivery of possession thereof to the Authority as provided for in Contract NOy–13300 as amended, provided, however, that this Supplemental Agreement and any right of pos-

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session or operation granted thereunder to the Authority shall be revocable at will by the Contracting Officer.

9. The Authority's possession and operation of the aqueduct under the terms of this agreement, shall be without charge during the month of December, it being understood that the assumption of operating of the pipe lines during this period will be of direct benefit to the Government, first, in assuring a sufficient quantity of water for the governmental activities in the San Diego area, and secondly, in assuming the necessary function of operational testing of the pipe line. The Authority shall pay for the possession and use of the Aqueduct during that portion of this interim period from and after January 1, 1948, to the date of formal transfer of the aqueduct at a rate equivalent to fifty per cent (50%) of the rental rate prescribed by the terms of Art. I (b) (iii) of lease purchase Contract NOy–13300. All payments made under the terms of this agreement shall be applied on the payment of the true cost price of the aqueduct by the Authority as provided for in Art. I (b) (iv) of Contract NOy–13300. Payments hereunder shall be made at the end of each monthly period, or portion thereof in the event of termination, by check payable to the Treasurer of the United States and forwarded to the Navy Central Disbursing Office, Bureau of Supplies and Accounts, Navy Department, Washington, D. C. via the Officer-in-Charge of Construction.

10. Except as heretofore indicated, the rights of the Authority hereunder shall not be assignable or transferrable except upon the written consent of the Contracting Officer.

11. The Authority is not to be considered as acquiring hereunder any permanent interest of whatever nature in the lands or facilities of the Government.

12. No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this Supplemental Agreement or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this Supplemental Agreement if made with a corporation for its general benefit.

In Witness Whereof, the parties hereto have executed this instrument the day and year first above written.

UNITED STATES OF AMERICA,
By R. H. MEADE,
For Chief of the Bureau of Yards and Docks, Navy Department.

SAN DIEGO COUNTY WATER AUTHORITY,
By FRED A. HEILBRON,
Chairman of the Board of Directors.

Attest:
ELEANOR LONGFELLOW,
Executive Secretary.

[ITEM 23]

SAN DIEGO PROJECT, CALIFORNIA

MEMORANDUM OF UNDERSTANDING TRANSFERRING ADMINISTRATION OF THE SAN JACINTO-SAN VICENTE AQUEDUCT

APRIL 22, 1946

(NOy–13300)

THIS MEMORANDUM OF UNDERSTANDING, made this 22nd day of April, 1946, by and between the DEPARTMENT OF THE INTERIOR, acting for this purpose by J. A. KRUG, Secretary of the Interior and the NAVY DEPARTMENT, (hereinafter called the "Navy") acting for this purpose by JAMES FORRESTAL, Secretary of the Navy.

WITNESSETH:

2. WHEREAS, on October 3, 1944 an interdepartmental committee (hereinafter called the "Committee") was appointed by the President of the United States to make a study, report and recommendations to him on methods of financing proposed construction of facilities to transfer Colorado River water to relieve a critical shortage in the water supplies of the City of San Diego, California hereinafter called the City, and nearby communities; and

3. WHEREAS, on October 21, 1944, the Committee, composed of one representative each from the Bureau of Reclamation (hereinafter called the "Bureau") of the Department of the Interior, the Bureau of Yards and Docks of the Navy Department, the Corps of Engineers of the War Department, the Federal Works Agency, and the San Diego County Water Authority, pursuant to study and discussion of the problems involved submitted its report; and

4. WHEREAS, the Committee recommended immediate construction by the

Government of an aqueduct, which is known as the San Jacinto-San Vicente Aqueduct (hereinafter called the "Aqueduct") connecting with the Colorado River Aqueduct of The Metropolitan Water District of Southern California; and

5. WHEREAS, pursuant to instruction issued by the President in letter form on November 29, 1944, the completion of designs for the Aqueduct was assigned to the Bureau and the construction of the Aqueduct was assigned to the Navy, it being understood that the Navy and the Bureau would cooperate in the performance of their respective operations relating to said Aqueduct; and

6. WHEREAS, on October 17, 1945, the United States, acting through the Navy, and the City entered into a certain contract (numbered NOy–13300) wherein, among other things, the Government agreed diligently to complete construction of the Aqueduct, and wherein said Aqueduct was leased to the City for the period and under the terms and conditions therein recited; and

7. WHEREAS, the said contract contains provisions for repossession of the Aqueduct by the Government in the event the City defaults in its obligations; and

8. WHEREAS, on December 27, 1945, the Bureau and the Navy entered into a Memorandum of Understanding for the purpose of stating the details of their cooperative arrangements in connection with the design and construction of the Aqueduct;

9. NOW, THEREFORE, the parties hereto agree as follows, to wit:

10. Administration of the said Aqueduct, on behalf of the United States, shall be transferred from the Navy to the Bureau, effective upon completion of construction thereof, as determined by the Chief of the Bureau of Yards and Docks of the Navy and notice thereof shall be furnished within a reasonable time thereafter to the Commissioner of Reclamation. Thereupon the said Commissioner shall replace the said Chief of the Bureau of Yards and Docks as contracting officer under the contract referred to in Article 6 hereof, and the contract shall be administered on behalf of the United States by the Department of the Interior, acting through the Bureau.

11. Upon request in writing therefor the Navy shall, as promptly as practicable, supply the Bureau with an itemized statement of the true cost to the Government of the Aqueduct, as the said true cost is defined in Article 3 of the contract referred to in Article 6 hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed the day and year first above written.

DEPARTMENT OF THE INTERIOR.
By (Signed) J. A. KRUG,
Secretary of the Interior.

NAVY DEPARTMENT.
By (Signed) JAMES FORRESTAL,
Secretary of the Navy.

[ITEM 24]

BOULDER CANYON PROJECT

CONTRACT MERGING RIGHTS

THE UNITED STATES

THE CITY OF SAN DIEGO

SAN DIEGO COUNTY WATER AUTHORITY

AND

THE METROPOLITAN WATER DISTRICT OF

SOUTHERN CALIFORNIA

OCTOBER 4, 1946

(I1r–1483)

1. THIS CONTRACT, made this 4th day of October, 1946, pursuant to the Act of Congress, approved June 17, 1902 (32 Stat. 388), and Acts amendatory thereof or supplementary thereto, all of which Acts are commonly known and referred to as the Reclamation Law and particularly pursuant to the Act of Congress, approved December 21, 1928 (45 Stat. 1057), designated the Boulder Canyon Project Act, between THE UNITED STATES OF AMERICA (hereinafter referred to as the "United States"), acting for this purpose by Warner W. Gardner, Acting Secretary of the Interior (hereinafter referred to as the "Secretary"), THE CITY OF SAN DIEGO, a municipal corporation (hereinafter referred to as "San Diego"), the SAN DIEGO COUNTY WATER AUTHORITY, a municipal corporation (hereinafter referred to as the "Authority"),

and THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, a public corporation (hereinafter referred to as the "District");

WITNESSETH THAT:

2. WHEREAS, under date of August 18, 1931, the Palo Verde Irrigation District, Imperial Irrigation District, Coachella Valley County Water District, The Metropolitan Water District of Southern California, City of Los Angeles, The City of San Diego and County of San Diego entered into an agreement fixing their respective priorities in waters of the Colorado River available for use in California under the Colorado River Compact and the Boulder Canyon Project Act, which said contract is hereinafter referred to as the "Seven-Party Priority Agreement"; and

3. WHEREAS, under date of April 24, 1930, the United States and the District entered into a water delivery contract, which contract, as amended by supplementary contract between said parties dated September 28, 1931, provides for delivery by the United States to the District of waters of the Colorado River in accordance with said schedule of priorities as fixed in the Seven-Party Priority Agreement; said Contract, as amended by said Supplementary contract of September 28, 1931, being herein referred to as the "District's Water Delivery Contract;" and

4. WHEREAS, under date of February 15, 1933, the United States and San Diego entered into a water delivery contract approved by the County of San Diego, which contract provides for the delivery by the United States to San Diego of waters of the Colorado River, in accordance with said schedule of priorities as fixed in the Seven-Party Priority Agreement, said contract being for the benefit of San Diego and the County of San Diego, and being hereinafter referred to as the "San Diego Water Delivery Contract;" and

5. WHEREAS, the priorities so agreed upon, and set out in said Seven-Party Priority Agreement and said water delivery contracts, are as follows, to-wit:

SECTION 1. A first priority to Palo Verde Irrigation District for beneficial use exclusively upon lands in said district as it now exists and upon lands between said district and the Colorado River, aggregating (within and without said district) a gross area of 104,500 acres, such waters as may be required by said lands.

SECTION 2. A second priority to Yuma Project of United States Bureau of Reclamation for beneficial use upon not exceeding a gross area of 25,000 acres of land located in said project in California, such waters as may be required by said lands.

SECTION 3. A third priority (a) to Imperial Irrigation District and other lands under or that will be served from the All American Canal in Imperial and Coachella Valleys, and (b) to Palo Verde Irrigation District for use exclusively on 16,000 acres in that area known as the "Lower Palo Verde Mesa," adjacent to Palo Verde Irrigation District, for beneficial consumptive use, 3,850,000 acre feet of water per annum less the beneficial consumptive use under the priorities designated in sections 1 and 2 above. The rights designated (a) and (b) in this section are equal in priority. The total beneficial consumptive use under priorities stated in sections 1, 2 and 3 of this article shall not exceed 3,850,000 acre feet of water per annum.

SECTION 4. A fourth priority to The Metropolitan Water District of Southern California and/or the City of Los Angeles, for beneficial consumptive use, by themselves and/or others, on the Coastal Plain of Southern California, 550,000 acre feet of water per annum.

SECTION 5. A fifth priority (a) to The Metropolitan Water District of Southern California and/or the City of Los Angeles, for beneficial consumptive use by themselves and/or others, on the Coastal Plain of Southern California, 550,000 acre feet of water per annum and (b) to The City of San Diego and/or County of San Diego, for beneficial consumptive use, 112,000 acre feet of water per annum. The rights designated (a) and (b) in this section are equal in priority.

SECTION 6. A sixth priority (a) to Imperial Irrigation District and other lands under or that will be served from the All American Canal in Imperial and Coachella Valleys, and (b) to Palo Verde Irrigation District for use exclusively on 16,000 acres in that area known as the "Lower Palo Verde Mesa," adjacent to Palo Verde Irrigation District, for beneficial consumptive use, 300,000 acre feet of water per annum. The rights designated (a) and (b) in this section are equal in priority.

SECTION 7. A seventh priority of all remaining water available for use within California for agricultural use in the Colorado River Basin in California, as said basin is designated on Map No. 23000 of the Department of the Interior, Bureau of Reclamation;"

and

6. WHEREAS, the Authority was created pursuant to the provisions of the "County Water Authority Act" of the State of California (Stats. 1943, p. 2090) and includes the corporate area of San Diego, together with other portions of the County of San Diego, and was created to the end that San Diego and other parts of the said county may participate in the benefit of Colorado River water as contemplated by the terms of said contract between the United States and San Diego, dated February 15, 1933; and

7. WHEREAS, it is provided in the said County Water Authority Act that each public agency whose corporate area shall be a part of the Authority (San Diego, by definition, being considered a public agency for the purposes of said Act) shall have a preferential right to purchase from the Authority a percentage of the water supply of the Authority, determined as therein set out; and

8. WHEREAS, the act under which the District was incorporated provides that each city whose corporate area shall be a part thereof (the Authority, by definition, being considered a city for the purposes of said act) shall have a preferential right to purchase from the District a percentage of the water supply of the District, determined as therein set out; and

9. WHEREAS, it is proposed to submit to the electors of the Authority the proposition of annexing the corporate area of the Authority to the District, and, in the event that such corporate area of the Authority shall be so annexed to and become a part of the District, it would be against the public interest that any part of the enlarged District should participate in the water supply administered by the District, in any manner or under any schedule of priority

differing from that generally applicable in other parts of the District, and the public interest will be best served, in the event of such annexation, by merging the contract rights and certain priorities as herein provided, and, so far as the parties hereto are concerned, treating such priorities as a single priority, to be vested in, and administered by, the District; and

10. WHEREAS, in the event of annexation of the corporate area of the Authority to the District, under the terms of the Metropolitan Water District Act, the Authority will have a right in the aggregate water supply of the District, and San Diego, whose corporate area is a part of the Authority, under the terms of the County Water Authority Act, will have a right in the water available to the Authority; and

11. WHEREAS, the right to participate in the use of the waters of the Colorado River, which San Diego will enjoy by reason of its corporate area being a part of the Authority and the corporate area of the Authority being a part of the District, will be of great value to San Diego, and the interests of San Diego will be protected and advanced by the execution of this contract;

NOW, THEREFORE, in consideration of the premises, it is agreed that:

12. Under the conditions set out in Article 14 hereof and not otherwise, the right to storage and delivery of Colorado River water now vested in San Diego for the benefit of San Diego and the County of San Diego and evidenced by said San Diego Water Delivery Contract, shall be and is hereby assigned and transferred to and vested in the District and shall be and is hereby merged with and added to the rights of the District under the District's Water Delivery Contract, and the rights and obligation now vested in and imposed on San Diego as evidenced by said San Diego Water Delivery Contract shall be and are hereby accepted and assumed by said District and such rights and obligations shall be administered and observed by the District and considered a part of the water supply and a part of the rights and obligations of the District for all purposes and particularly for the purposes of Section 5½ of the Metropolitan Water District Act, without reference to priority as between the Authority and any other part or parts of the District, provided that as between the District (including the Authority) and the United States and other parties to the Seven-Party Priority Agreement, nothing herein shall be construed as increasing the amount of water available to the District and/or the Authority under the fourth priority set out in the recitals hereof, or otherwise prejudicing the respective rights of other parties to the Seven-Party Priority Agreement in the water of the Colorado River. The point of delivery of all water delivered to the District under its outstanding water delivery contract and hereunder, shall be at the District's intake above Parker Dam and the United States hereby agrees that the diversion point of water heretofore agreed to be delivered to San Diego under said water delivery contract of February 15, 1933, is hereby transferred from the point on the Colorado River immediately above the Imperial Dam to the

District's intake at a point on the Colorado River immediately above Parker Dam.

13. In the event that the corporate area of the Authority shall at any time cease to be a part of the District, the said contract between the United States and San Diego dated February 15, 1933, shall be revived and reinstated, and shall thereupon become severally operative; provided, that the right of the Secretary to cancel such contract for the nonuse of water thereunder, shall not be exercised within ten years from the date when the corporate area of the Authority shall cease to be a part of the District.

14. This contract shall be of no force or effect until and unless:

(a) The corporate area of the Authority is annexed to the corporate area of the District prior to December 31, 1946, and at a time when the corporate area of San Diego is a part of the corporate area of the Authority;

(b) A majority of the qualified electors of San Diego voting on the proposition shall authorize the transfer and assignment to the District by San Diego of San Diego's rights and obligations under the Water Delivery Contract between the United States and the City of San Diego dated February 15, 1933, relating to the waters of the Colorado River;

(c) A majority of the qualified electors of San Diego voting on the proposition shall authorize the transfer and assignment to the Authority of San Diego's rights and obligations under the contract dated October 17, 1945 (NOy–13300), granting San Diego a lease of the aqueduct being constructed by the United States Navy from San Jacinto Tunnel to San Vicente Reservoir, except San Diego's obligations under Article 2 (a) of said contract to construct a water treatment plant and other works as contemplated by the San Diego bond issue approved April 17, 1945, and the obligation under Article 2 (c) of said contract that San Diego supply all Government agencies within the area with an adequate supply of water at nondiscriminatory rates, and on condition that if the Authority shall cease to be a portion of the corporate area of The Metropolitan Water District of Southern California, the said Lease-Contract shall revert to San Diego, subject to all modifications, defaults or acts of the Authority, affecting the said Lease Contract;

(d) A majority of the qualified electors of the Authority voting on the proposition shall authorize the acceptance of the rights and the assumption by the Authority of the obligations transferred to the Authority by the assignment of the contract dated October 17, 1945 (NOy–13300).

15. This contract is made upon the express condition, and with the express understanding, that all rights hereunder shall be subject to and controlled by, the Colorado River Compact, being the Compact signed at Santa Fe, New Mexico, November 24, 1922, which compact was approved in Section 13 (a) of the Boulder Canyon Project Act.

16. No member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

17. Except as expressly modified by the terms hereof, outstanding con-

tracts between the United States and the respective parties hereto shall remain in full force and effect.

18. This contract shall be known as the "1946 Merger Contract."

IN WITNESS WHEREOF, the parties hereto have executed this contract the day and year first above written.

THE UNITED STATES OF AMERICA,
By (S) WARNER W. GARDNER,
Acting Secretary of the Interior.

[SEAL]

THE CITY OF SAN DIEGO,
By F. A. RHODES, *City Manager.*

Attest:
FRED W. SICK, *City Clerk.*

[SEAL]

SAN DIEGO COUNTY WATER AUTHORITY,
By J. L. BURKHOLDER, *General Manager.*

Attest:
W. H. JENNINGS, *Secretary*

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA,
By JULIAN HINDS,
General Manager and Chief Engineer.

Attest:
A. L. GRAM, *Executive Secretary.*

Approved as to form:
JAMES H. HOWARD,
General Counsel.

[SEAL]

As evidence of its approval of the foregoing contract between the United States, The City of San Diego, the San Diego County Water Authority and The Metropolitan Water District of Southern California, the County of San Diego has caused the signature of the Chairman of its Board of Supervisors

BOARD OF SUPERVISORS OF THE COUNTY
OF SAN DIEGO,
By DAN ROSSI, *Chairman pro tem.*
[SEAL] By M. NASLAND, *Deputy.*

Attest:
J. B. MCLEES, *County Clerk.*

I HEREBY APPROVE the form and legality of the within 1946 merger contract, this 9th day of October, 1946.

J. F. DUPAUL,
City Attorney, the City of San Diego.

RESOLUTION NO. 3609

WHEREAS, there has been presented to this Board form of contract entitled "Contract Merging Rights of The City of San Diego and The Metropolitan Water District of Southern California Under Contracts with the United States Dated February 15, 1933, and April 24, 1930 (Amended September 28, 1931), Respectively," to which The United States of America, acting through the Secretary of the Interior, The City of San Diego, the San Diego County Water Authority, and The Metropolitan Water District of Southern California are parties; and

WHEREAS, this Board has found and determined, and does find and determine, that the best interests of The Metropolitan Water District of Southern California require approval and execution of said contract;

NOW, THEREFORE, BE IT RESOLVED, That the said form of contract be approved, and that the Executive Secretary be authorized and directed to endorse thereon the fact of such approval and to file in his office the said form so endorsed.

FURTHER, That the General Manager and Chief Engineer be authorized and directed to execute the said contract for and on behalf of the District in substantially the form so approved and filed, and that the Executive Secretary be authorized and directed to attest the signature of the General Manager and Chief Engineer, and to attach to said contract the corporate seal of the District.

I HEREBY CERTIFY, That the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California, at its meeting held October 4, 1946.

(S) A. L. GRAM,
Executive Secretary of the Metropolitan Water District of Southern California.

[CORPORATE SEAL]

RESOLUTION NO. 28

Resolution approving the terms and provisions of a contract merging the rights of The City of San Diego and The Metropolitan Water District of Southern California, under contracts with the United States and authorizing the General Manager to execute the same on behalf of the Authority.

WHEREAS, there has been presented to the Board of Directors a proposed contract merging the water rights of The City of San Diego and The Metropolitan Water District of Southern California under contracts with the United States dated February 15, 1933 and April 24, 1930 (amended September 28, 1931) respectively, and

WHEREAS, said contract was on the 27th day of September, 1946, approved as to form by Acting Secretary of the Interior Gardner, and

WHEREAS, said merging of the water rights of The City of San Diego and the water rights of The Metropolitan Water District of Southern California is a necessary step in the proceedings for the annexation of the Authority to The Metropolitan Water District of Southern California, and is a desirable means for the Authority to procure the portion of Colorado River water allotted to this area,

NOW, THEREFORE, BE IT RESOLVED, That the Board of Directors of the San Diego County Water Authority does hereby approve the terms and conditions of said contract, merging the rights of The City of San Diego and The Metropolitan Water District of Southern California under their respective contracts with the United States, and hereby authorizes the General Manager to execute the same, for and on behalf of the Authority.

FRED A. HEILBRON,
Chairman of Board of Directors.

[SEAL]

Attest:
W. H. JENNINGS,
Secretary of Board of Directors.

I HEREBY CERTIFY that the foregoing Resolution was presented to the Board of Directors of the San Diego County Water Authority at the regular meeting of said Board held on the 4th day of October, 1946, and was passed, approved and adopted by said Board of Directors at said meeting by the following vote:

		Votes
Yeas:	The City of Chula Vista, Lynds	2
	Fallbrook Public Utility District, Schmitz	1
	Lakeside Irrigation District, Mitchell	1
	La Mesa, Lemon Grove and Spring Valley Irrigation District, Jennings	3
	City of Oceanside, Beck	1
	The City of San Diego, Heilbron, Marston, Simpson, Whitcomb	9
	Total	17
Nays:	None.	
Absent:	City of National City, Johnson	1

ELEANOR LONGFELLOW,
Executive Secretary of the Board of Directors,
San Diego County Water Authority.

I FURTHER CERTIFY that the foregoing is a full, true and correct copy of a resolution passed and adopted by the Board of Directors of the San Diego County Water Authority at its meeting held on October 4, 1946.

ELEANOR LONGFELLOW,
Executive Secretary of the Board of Directors,
San Diego County Water Authority.

[SEAL]

IN RE CONTRACT MERGING RIGHTS
OF CITY AND COUNTY WITH THE
METROPOLITAN WATER DISTRICT

On motion of Supervisor Austin, seconded by Supervisor Robbins, the following resolution is adopted:

WHEREAS, there has been presented to this Board a copy of L. A. Draft 9/17/46 Contract Merging Rights of The City of San Diego and The Metropolitan Water District of Southern California under Contracts with the United States dated February 15, 1933, and April 24, 1930 (amended September 28, 1931), respectively; and

WHEREAS, the L. A. Draft 6/17/46 Contract was on September 27, 1946, approved as to form by Acting Secretary of the Interior Willard W. Gardner;

NOW THEREFORE, this Board determines that this proposed method for obtaining the water of the Colorado River alloted to The City of San Diego and County of San Diego is the most feasible of any heretofore presented and will in the opinion of this Board be to the advantage and betterment of all of the people of the City and the County.

IT IS THEREFORE ORDERED, That the Chairman of this Board be directed and he is hereby authorized to sign said contract for and on behalf of the County of San Diego; and

The Clerk of this Board is authorized and directed to attest the same and to affix the seal of this Board to said contract.

PASSED AND ADOPTED by the Board of Supervisors of the County of San Diego, State of California, this 7th day of October, 1946, by the following vote, to wit:

Ayes: Supervisors Austin, Robbins, Rossi, and Howell.
Noes: Supervisors none.
Absent: Supervisor Bird.

STATE OF CALIFORNIA, }
County of San Diego, } ss.:

I, J. B. MCLEES, County Clerk of the County of San Diego, State of California, and ex officio Clerk of the Board of Supervisors of said County, hereby certify that I have compared the foregoing copy with the original resolution passed and adopted by said Board, at a regular meeting thereof, at the time and by the vote therein stated, which original resolution is now on file in my office; that the same contains a full, true and correct transcript therefrom and of the whole thereof.

Witness my hand and the Seal of said Board of Supervisors, this 7th day of October, A. D., 1946.

J. B. MCLEES,
County Clerk and ex-officio Clerk of the Board of Supervisors.

[SEAL] By J. MILLER, *Deputy.*

RESOLUTION NO. 84283

BE IT RESOLVED by the Council of the City of San Diego, as follows:

That the City Manager of said City be, and he is hereby authorized and empowered to execute for and on behalf of The City of San Diego, a contract with the United States of America, San Diego County Water Authority and the Metropolitan Water District of Southern California, in the form substantially as is contained in Document No. 365926, on file in the office of the City Clerk of said City, providing for the merging of the rights of The City of San Diego and the Metropolitan Water District of Southern California, under contracts with the United States of America, dated February 15, 1933 and April 24, 1930 (amended September 25, 1931).

Approved as to form by J. F. DuPaul, City Attorney.

.....

I hereby certify the above to be a full, true, and correct copy of Resolution No. 84283 of the Council of the City of San Diego, as adopted by said Council 10-8-46.

FRED W. SICK, *City Clerk,*
By FRANCES T. PATTEN, *Deputy.*

[SEAL]

833942—50—17

[ITEM 25]

BOULDER CANYON PROJECT

CONTRACT FOR CONSTRUCTION OF DISTRIBUTION SYSTEM, PROTECTIVE WORKS, AND DRAINAGE WORKS

THE UNITED STATES

AND

COACHELLA VALLEY COUNTY WATER DISTRICT

DECEMBER 22, 1947

(Ilr–781 Supplemental)

1. THIS CONTRACT, made this 22nd day of December, 1947, pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat. 1057), designated the Boulder Canyon Project Act, the Act of Congress approved May 10, 1939 (53 Stat. 685, 718), designated the Interior Department Appropriation Act, 1940, the Act of Congress approved August 4, 1939 (53 Stat. 1187), designated the Reclamation Project Act of 1939, and the Act of Congress approved June 26, 1947 (Public Law 121, 80th Cong., 1st Session), between THE UNITED STATES OF AMERICA, hereinafter referred to as the "United States", acting for this purpose by William E. Warne, Assistant Secretary of the Interior, hereinafter referred to as the "Secretary", and COACHELLA VALLEY COUNTRY WATER DISTRICT, a County Water District created, organized and existing under and by virtue of the County Water District Act of the State of California, and acts amendatory thereof or supplementary thereto, with its principal place of business at Coachella, Riverside County, California, hereinafter referred to as the "District",

WITNESSETH THAT:

EXPLANATORY RECITALS

2. WHEREAS, pursuant to the provisions of the Reclamation Law and particularly pursuant to the provisions of the Boulder Canyon Project Act, the United States and the District have heretofore entered into a contract of date October 15, 1934 (Symbol and No. Ilr-781), entitled "Contract for Construction of Capacity in Diversion Dam, Main Canal and Appurtenant Structures and for Delivery of Water"; and

3. WHEREAS, in addition to the works which the United States agreed to construct for the use and benefit of the District, as provided by the aforesaid

contract of October 15, 1934, which said works, or portions thereof, are now completed or in course of construction, the District has requested that the United States also construct for use in connection therewith and in addition thereto (a) a distribution system for the benefit of the District and those lands that will be served with water from the All-American Canal in Coachella Valley, now or hereafter within the District and lying within the Coachella Service Area defined in Article 17 of said contract of October 15, 1934; (b) an appurtenant system of protective works for the protection of said distribution system, the Main (All-American) Canal to Coachella Valley, and lands and other properties below the Canal from overflow or other damage by storm waters or surface waters from above the Canal; and (c) has also requested the United States to participate in the conduct of field investigations and analyses of data incidental to the preparation by the District of designs for the construction by the District of such drainage works as may hereafter be required for lands now or hereafter within the District and the Coachella Service Area; and

4. WHEREAS, the United States is willing to undertake the construction of the aforementioned distribution system and the appurtenant system of protective works and is willing to participate in investigations and studies preliminary to the construction by the District of said drainage works, all under the conditions hereinafter set forth; and

5. WHEREAS, the estimated total cost of said distribution system, appurtenant system of protective works and drainage investigations and studies is Eighteen Million Dollars ($18,000,000), of which cost the Secretary has heretofore allocated to the purposes of flood control the sum of Four Million Five Hundred Thousand Dollars ($4,500,000), said last mentioned sum to be non-repayable and non-returnable to the United States; and

6. WHEREAS, the Secretary has determined, and does hereby determine, that the revenues provided for by this contract are adequate in his judgment to insure payment of all repayable and returnable expenses of construction, operation and maintenance of the works to be constructed by the United States under the terms hereof, as well as other work to be performed by the United States hereunder, in the manner provided in the Reclamation Law; and

7. WHEREAS, the District will, at its own expense, construct such drainage works as may hereafter be required for the lands now or hereafter within the District and lying within the said Coachella Service Area;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to wit:

MODIFICATION OF CONTRACT DATED OCTOBER 15, 1934

8. (a) As one of the considerations for the execution of this contract by the United States it is agreed that the Main (All-American) Canal to Coach-

ella Valley (hereinafter styled "Coachella Main Canal"), shall terminate at Engineer Station 6517, a point near 57th Ave., as shown on Exhibit "A" attached hereto and by this reference made a part hereof, instead of at the boundary line common to Riverside and Imperial Counties, as shown on Exhibit "A" attached to the aforesaid contract dated October 15, 1934. As so shortened, said Coachella Main Canal shall be constructed in the approximate location shown on Exhibit "A", hereto attached, with such capacities as the Secretary may conclusively determine to be necessary or advisable upon engineering or economic considerations to accomplish the ends contemplated by the aforesaid contract of October 15, 1934, as amended by this contract; provided, however, that such changes in capacities, locations, lengths and alignments may be made during the progress of the work as may, in the opinion of the Secretary, whose opinion shall be final and binding upon the parties hereto, be expedient, economical, necessary or advisable.

(b) Notwithstanding any of the terms or provisions of the aforesaid contract dated October 15, 1934, all work agreed to be performed by the United States thereunder shall be deemed to be completed upon whichever of the following described dates shall first occur:

(1) The date of expiration of five years from and after the date of acceptance by the United States of the work called for by its contract with Otto B. Ashbach and Sons, dated January 10, 1947 (Symbol and Number 12r-17147), for construction of earthwork, concrete canal lining and structures between Engineer Stations 6106+06 and 6517+00 on the Coachella Main Canal, or

(2) The date of completion of the distribution system hereinafter described in Article 9 (a) (i) of this contract, as determined by the Secretary, whose determination thereof shall be final and binding upon the parties hereto.

(c) Following receipt by the District of notice of completion of all work provided for by the aforesaid contract dated October 15, 1934, as determined under the provisions of this contract, payment for such work shall be due and payable from the District to the United States in accordance with the terms of said contract dated October 15, 1934.

CONSTRUCTION BY THE UNITED STATES AND THE DISTRICT

9. (a) In addition to the construction of the works agreed to be constructed by the United States for the use and benefit of the District under the provisions of the aforesaid contract of date October 15, 1934, as amended by Article 8 of this contract, the United States will also, subject to the provisions of Articles 12 and 32 hereof, construct for use in connection therewith:

(i) A distribution system at the approximate locations indicated on the map marked Exhibit "A," attached hereto and by this reference made a part hereof. Said distribution system shall consist generally of open, concrete-lined or asphaltic-lined canals and

concrete pipe laid underground, with capacities as indicated in said Exhibit "A," pumping plants as indicated in said Exhibit and such other appurtenant and auxiliary structures as the Secretary may conclusively determine to be necessary or advisable upon engineering or economic considerations to accomplish the ends contemplated by such distribution system; provided, however, that changes in capacities, locations, lengths and alignments of said distribution system works may be made during the progress of the work and after consultation with the District, as may in the opinion of the Secretary, whose opinion thereof shall be final and binding upon the parties hereto, be expedient, economical, necessary or advisable; and

(ii) A system of protective works designed to protect the Coachella Main Canal, the distribution system herein provided for and lands and other properties below the Canal from overflow or other damage by storm waters or surface waters. Said protective works shall consist of, but need not be limited to, such dams, dikes, levees, embankments, catchment basins, bridges, causeways, roads, culverts, flumes, syphons, waterways, evacuation and dispersion channels, and other works, as indicated in said Exhibit "A," as the Secretary may conclusively determine to be necessary or advisable upon engineering or economic considerations to accomplish the ends contemplated by such system of protective works; provided, that changes in capacities, locations, lengths and alignments of said protective works or structures may be made during the progress of the work and after consultation with the District, as may in the opinion of the Secretary, whose opinion thereof shall be final and binding upon the parties hereto, be expedient, economical, necessary or advisable.

(b) The District hereby agrees to construct such drainage works as may be necessary for the drainage of lands now or hereafter within the District and the Coachella Service Area. To the extent that the Secretary may conclusively determine to be necessary or advisable, the United States shall participate in the conduct of field investigations and analyses of data incidental to the preparation, by the District, of designs for the construction by the District of such drainage works. Construction plans and specifications prepared by the District for the construction from time to time of units of said drainage works shall be subject to the concurrence of the United States; provided, however, that the cost to the District of such participation by the United States shall in no event exceed the sum of One Hundred Fifty Thousand Dollars ($150,000).

(c) The ultimate cost to the District of the work herein agreed to be performed by the United States shall in no event exceed the aggregate sum of Thirteen Million Five Hundred Thousand Dollars ($13,500,000). Such cost shall include all expenses of whatsoever kind or nature heretofore or hereafter incurred by the United States from the Reclamation Fund, the Colorado River Dam Fund, or otherwise, in connection with, growing out of or resulting from the work herein agreed to be performed by the United States, including, but not limited to, the cost of labor, materials, equipment, engineering, legal work, superintendence, administration, overhead, any and all costs arising from operation and maintenance of works to be constructed by the United States under the terms hereof prior to the time said operation and maintenance costs are assumed by the District, damage of all kinds and character, and the costs of rights-of-way and destroyed improvements, as hereinafter provided.

(d) The United States will invoke all legal and valid reservations of rights-of-way under Acts of Congress, or otherwise reserved or held by it, without cost to the District, except that the United States reserves the right, where rights-of-way are thus acquired, to reimburse the owners of the servient lands for the value of improvements which may be destroyed, and the District agrees that the United States may include such disbursements in the cost of work performed by the United States hereunder, as provided in subdivision (c) of this Article.

(e) The District shall convey to the United States, without cost, unencumbered fee simple title to any and all lands owned by it which, in the opinion of the Secretary, may be required for right-of-way purposes for the works constructed by the United States hereunder.

(f) Where rights-of-way are required for those works described in subdivision (a) (i) of this Article, and such rights-of-way are not reserved to the United States under Acts of Congress or otherwise, or the lands over which such rights-of-way are required are not then owned by the District, the District shall, upon request of the Secretary, acquire title to such lands or perpetual easements therein, required for such purpose, and in turn convey unencumbered fee simple title thereto or perpetual easements therein to the United States, at the actual cost thereof to the District, including the actual cost of legal and title expenses incurred by the District, subject to the approval of such costs by the Secretary. In case of neglect or failure of the District, upon request of the Secretary, so to acquire and convey any lands or perpetual easements determined by him to be necessary for the construction of such works, the United States may acquire the same and charge the actual cost thereof, including the actual cost of legal and title expenses incurred by the United States, to the District. All sums reimbursed to the District by the United States under the provisions of this subdivision of this Article shall be included in the cost of work performed by the United States hereunder, as provided in subdivision (c) of this Article.

(g) Where rights-of-way are required for those works described in subdivision (a) (ii) of this Article, and the lands over which such rights-of-way are required are not then owned by the United States or by the District, the District shall, upon request of the Secretary, acquire title to such lands or perpetual easements therein, required for such purpose, and in turn convey unencumbered fee simple title thereto or perpetual easements therein, without cost, to the United States. In case of neglect or failure of the District, upon request of the Secretary, so to acquire and convey any lands or perpetual easements determined by him to be necessary for the construction of those works described in subdivision (a) (ii) of this Article, the United States may acquire the same and charge the actual cost thereof, including the actual cost of legal and title expenses incurred by the United States, to the District. On or before October 1 of each calendar year, the United States will give written notice to

the District of the amount expended by the United States under the provisions of this subdivision of this Article during the twelve-month period ending on September 1 next preceding, and such amount shall be repaid to the United States by the District on March 1 next following.

OPERATION AND MAINTENANCE OF CONSTRUCTED WORKS

10. (a) The District shall assume the care, operation and maintenance of the works herein agreed to be constructed by the United States, or any major part thereof completed and ready for use, as determined by the Secretary, whose determination thereof shall be final and binding upon the parties hereto, upon sixty (60) days' written request therefor made by the Secretary at any time subsequent to the completion of construction of said works or any such major part thereof. Thereafter, except as herein otherwise provided, the District shall, at its own cost and without expense to the United States, care for and operate and maintain the same in such manner that such works shall remain in as good and efficient condition and of equal capacity for the diversion, transportation and distribution of water, and for the protection of the Coachella Main Canal, the distribution system herein provided for and lands and other properties below the main canal from overflow or other damage by storm waters, or surface waters, as when received from the United States, reasonable wear and damage by the elements excepted, and shall use all practicable methods to insure the economical and beneficial use of water. After the care, operation and maintenance of any such works shall have been assumed by the District, the District shall save the United States, its officers, agents, attorneys and employees, harmless as to any and all injury and damage to persons and property which may arise out of the care, operation and maintenance thereof.

(b) During the repayment period of this contract, if, in the opinion of the Secretary, whose opinion shall be final and binding upon the parties hereto, the District, at any time, shall have failed to perform substantially any provision of this contract, the United States may, on sixty (60) days' written notice to the District, resume the control of any such works and thereafter care for, operate and maintain the same. In such event the District shall advance to the United States within fifteen (15) days after written demand by the Secretary, the estimated cost of such care, operation and maintenance by the United States, plus fifteen per centum (15%) to cover overhead and general expenses, during the period commencing with the date that the care, operation and maintenance of such works is assumed by the United States and terminating on the first day of March next succeeding. During such time thereafter as the United States shall retain the operation and maintenance of such works, the District shall advance to the United States on March first of each year, upon estimates therefor to be furnished by the United States on or be-

fore September first next preceding, the estimated cost of operation and maintenance, plus fifteen per centum (15%) to cover overhead and general expense, for the following twelve (12) months. If the amount advanced by the District for any period shall prove to be insufficient to pay the cost of operation and maintenance by the United States during such period, the amount of such deficiency shall be paid forthwith by the District to the United States upon notice thereof and demand therefor by the Secretary. The surplus of any amount so advanced by the District for operation and maintenance by the United States during any period shall be credited on the estimated cost of operation and maintenance by the United States during the succeeding period. Any surplus of any advances made by the District for operation and maintenance which shall remain unexpended and unobligated for such purpose by the United States at such time as the care, operation and maintenance of the works are returned to the District shall be refunded to the District. Nothing herein contained shall relieve the District of the obligation to pay, in any event, all instalments and interest provided in this contract.

(c) Whenever the United States shall have resumed the care, operation and maintenance of any such works pursuant to the provisions of subdivision (b) of this Article, the Secretary, upon written request by the District accompanied by assurances satisfactory to him, may, upon sixty (60) days' written notice to the District, return the care, operation and maintenance of any such works to the District.

(d) The right of the United States to control the care, operation and maintenance of any such works, pursuant to the provisions of this Article, shall continue during the repayment period of this contract.

KEEPING WORKS AND APPURTENANT STRUCTURES IN REPAIR

11. During the repayment period of this contract, except in case of emergency, no substantial change in any of the works to be constructed by the United States and transferred to the District under the provisions hereof shall be made by the District without first having had and obtained the written consent of the Secretary, and the Secretary's opinion as to whether any change in any such works is or is not substantial shall be conclusive and binding upon the parties hereto. The District shall promptly make any and all repairs to, and replacements of, all works transferred to it under the terms and conditions hereof which, in the opinion of the Secretary, are deemed necessary for the proper operation and maintenance of such works. In case of neglect or failure of the District to make such repairs, the United States may, at the option of the Secretary, after reasonable notice to the District, cause such repairs to be made and charge the actual cost thereof, plus fifteen per centum (15%) to cover overhead and general expense, to the District. On or before October 1 of each calendar year the United States shall give written notice to the Dis-

trict of the amount expended by the United States for repairs under this Article during the twelve-month period ending on September 1 immediately preceding. Such cost, plus overhead and general expense as stated above, shall be repaid by the District on March 1 immediately succeeding.

AGREEMENT BY DISTRICT TO PAY FOR WORK PERFORMED BY THE UNITED STATES

12. (a) The District agrees to pay to the United States the actual cost, not exceeding Thirteen Million Five Hundred Thousand Dollars ($13,500,000), incurred by the United States on account of work herein agreed to be performed by the United States. In addition, the District hereby agrees to repay to the United States all expenditures incurred on account of any and all damages due to the existence, operation and maintenance of the works herein agreed to be constructed by the United States, the incurrence of which increases expenditures by the United States beyond the sum of Thirteen Million Five Hundred Thousand Dollars ($13,500,000). The total of all such costs and expenditures described in Article 9 and in this subdivision 12 (a) shall constitute, is hereby designated and is hereinafter referred to as "the general repayment obligation of the District".

(b) Should Congress or other Governmental financing authorities fail to make necessary appropriations or allocations of money to complete the work herein provided for, then the Secretary may, at such reasonable time as he may consider advisable after Congress and such other Governmental financing authorities shall have failed for two (2) consecutive years to make the necessary appropriations or allocations which shall have been annually requested by the Secretary, give the District notice of the termination of work by the United States, and furnish the District with a statement of the amount actually expended by the United States thereon, exclusive of the amounts theretofore covered by notices given under Article 15 of this contract, and the amount set out in such statement shall be paid by the District in the manner set out in Article 15 of this contract.

ESTABLISHMENT OF IRRIGATION BLOCKS; ALLOCATION OF CONSTRUCTION COSTS OBLIGATIONS THERETO

13. (a) The Secretary shall, from time to time, during the construction of works hereunder, designate the areas of land within the District to which irrigation water will be available through the works described in Article 9 (a) (i) hereof at substantially the same time. Each such area shall be known as an irrigation block. No irrigation block so designated shall include land in more than one improvement district of the District. The designation of each irrigation block shall be made before water becomes available therefor through the works described in Article 9 (a) (i) hereof.

(b) The Secretary shall make an allocation of the District's general repayment obligation to the lands in the respective irrigation blocks. The obligation of each irrigation block shall be that amount which bears the same ratio to the general repayment obligation of the District that the irrigable acreage in such irrigation block bears to the total irrigable acreage of the District, all as determined by the Secretary, whose determination thereof shall be conclusive and binding upon the parties hereto. If necessary, the obligation as to each block may be determined originally on the basis of estimates as to (i) the net irrigable acreage in the District as a whole, (ii) the net irrigable acreage in each block and (iii) the ultimate amount of the general repayment obligation of the District, and the obligation so determined shall be controlling until the obligation is finally determined on the basis of the actual net irrigable acreage in the District as a whole, the actual net irrigable acreage in each block and the actual amount of the general repayment obligation of the District. If the total obligation for any block, as finally determined, is different from the original allocation therefor, the remaining unaccrued balance of the original obligation shall be adjusted by the amount of the difference. The Secretary promptly shall notify the District in writing of the amounts when originally and when finally determined as the obligation as to each irrigation block.

(c) The general repayment obligation of the District as determined pursuant to Articles 9 and 12 (a) hereof shall remain a general obligation of the District as a whole notwithstanding the allocation thereof among two or more irrigation blocks in the District, and default of the lands in any block as to the obligation allocated to that block shall not relieve the District as a whole of liability as to that portion of its general repayment obligation. All lands now or hereafter in the District are, as a whole, obliged to pay to the United States the full amounts herein agreed upon, regardless of the default or failure of any tract or of any landowner in the payment of the taxes levied by the District against such tract or landowner, and the District shall, when necessary, levy and collect appropriate taxes to make up for the default or delinquency of any such tract of land or of any such landowner in the payment of taxes, so that in any event and regardless of any defaults or delinquencies in the payment of any tax or taxes, the amounts becoming due the United States hereunder shall be paid to the United States by the District when due. Nothing in this subdivision of this Article, however, shall be construed as in any manner altering the time or rate of payment of the obligation allocated to each irrigation block.

DEVELOPMENT PERIODS AND FURNISHING OF WATER DURING SUCH PERIODS

14. For each irrigation block which shall be designated as provided in Article 13 hereof there is hereby fixed a development period of eight (8)

years from and including the date on which water from the works described in Article 9 (a) (i) hereof is available for all irrigable lands in the block, as determined by the Secretary. During the development period for each irrigation block the District shall deliver water to the lands within such block on a water rental or toll-charge basis. The charge shall be on the basis of an amount per acre foot of water per annum. The charges for each irrigation block shall be fixed by the District with the object of collecting throughout the development period amounts at least sufficient (i) to defray the annual costs of operation and maintenance chargeable to that block, and (ii) to provide for repairs to and depreciation of works constructed by the United States and operated by the District hereunder, in accordance with the provisions of Article 10. The amount of the charge and the terms and conditions with respect to it for each year during the development period shall be determined and announced by the District on or before January 1 of each year. The District shall collect the necessary tolls and charges from the water users within each irrigation block during a development period in advance of the delivery of water.

TERMS OF PAYMENT

15. The amount herein agreed to be paid to the United States on account of each irrigation block shall be due and payable by the District in not more than forty (40) annual instalments commencing with the calendar year, next succeeding the year of termination of the development period for such irrigation block. The first five (5) of such annual instalments shall each be one per centum (1%) of the cost allocated to each irrigation block, all as conclusively determined by the Secretary; the next ten (10) of such instalments shall each be two per centum (2%) of said cost, and the remainder of such annual instalments shall each be three per centum (3%) of said cost. The sums payable annually as set forth above shall be divided into two (2) equal semiannual instalments payable on March 1st and September 1st of each year; provided, however, that if the development period with respect to any irrigation block shall terminate subsequent to August 1st of any year, the first semiannual instalment of charges hereunder shall be due and payable on March 1st of the second succeeding year following termination of the development period for such irrigation block.

ACCUMULATION AND USE OF RESERVE FUND

16. (a) Beginning in the calendar year in which the first instalment of the general repayment obligation of the District shall have become due and payable under the provisions of Article 15 hereof and continuing thereafter until such time as all sums of money becoming due hereunder shall have been

paid to the United States, the District shall accumulate and maintain, in the manner hereinafter provided, a reserve fund which shall be available for the purposes and in the circumstances hereinafter mentioned.

(b) Said reserve fund shall be accumulated by the District in yearly increments of Twenty Thousand Dollars ($20,000) until the reserve fund thus accumulated shall total One Hundred Thousand Dollars ($100,000), which total sum shall be maintained at all times, provided, however, that the District shall not be required to add to said reserve fund an amount in excess of Twenty Thousand Dollars ($20,000) in any one year.

(c) Except in case of emergency expenditures shall be made from said reserve fund only with the advance approval of the Secretary and only for the purposes of meeting major, unforseen costs of operation and maintenance, repair, betterment and replacement of works constructed hereunder by the United States or the District.

(d) Said reserve fund shall be deposited and maintained, apart from other District funds, in a depository meeting the requirements of the laws of California and upon conditions concerning its withdrawal which are satisfactory to the Secretary.

(e) During such time or times as the operation and maintenance of works constructed hereunder shall have been resumed by the United States in accordance with the provisions of Article 10 (b) hereof, said reserve fund shall be available for use by the United States for the same purposes as said reserve fund was theretofore available for use by the District.

REFUSAL OF WATER IN CASE OF DEFAULT

17. The United States reserves the right to refuse to deliver water to the District under the provisions of the aforesaid contract of October 15, 1934, in the event of default for a period of more than twelve (12) months in any payment due the United States under this contract, or, in the discretion of the Secretary, to reduce deliveries in such proportion as the amount in default by the District bears to the total amount due. No water shall be delivered to or for any tract of land in the District during any time that the owners or holders thereof are delinquent in the payment of any taxes heretofore or hereafter levied by the District or any toll or other charges which the District may be authorized to make. It is understood, however, that the provisions of this Article shall not relieve the District of its obligation under the aforesaid contract of October 15, 1934, to divert, transport and deliver water for the use and benefit of other agencies with which the United States may contract for the diversion, transportation and delivery of water through or by the works constructed or to be constructed under the terms of the said contract of October 15, 1934.

TITLE TO REMAIN IN THE UNITED STATES

18. Title to the works to be constructed by the United States under the terms hereof shall be and remain in the United States, notwithstanding transfer of the care, operation and maintenance thereof to the District; provided, however, that the Secretary may, in his discretion, when repayment to the United States of all moneys advanced shall have been made, transfer the title to said works to the District.

RULES AND REGULATIONS

19. There is reserved to the Secretary the right to prescribe and enforce rules and regulations not inconsistent with this contract governing the care, operation and maintenance of the works to be constructed hereunder. Such rules and regulations may be modified, revised and/or extended from time to time, after notice to the District and opportunity for it to present its views, as may be deemed proper, necessary, or desirable by the Secretary to carry out the true intent and meaning of the law and of this contract, or amendments thereof. The District hereby agrees that in the care, operation and maintenance of the works to be constructed hereunder, all such rules and regulations will be fully adhered to.

INSPECTION BY THE UNITED STATES

20. The Secretary may cause to be made from time to time a reasonable inspection of the works constructed by the United States to the end that he may ascertain whether the terms of this contract are being satisfactorily executed by the District. The actual expense of such inspection in any calendar year shall be paid by the District to the United States on March 1st of each year immediately following the year in which such inspection is made, and upon statement to be furnished by the Secretary. The Secretary or his representative shall at all times have the right of ingress to an egress from all works of the District for the purpose of inspection, repairs and maintenance of works of the United States, and for all other purposes, within the terms of this contract.

ACCESS TO BOOKS AND RECORDS

21. The officials or designated representatives of the District shall have full and free access to the books and records of the United States, as far as they relate to the matters covered by this contract, with the right at any time during office hours to make copies of or from the same; and the Secretary shall have the same right in respect of the books and records of the District.

DEVELOPMENT AND COMPILATION OF DATA AND KEEPING OF BOOKS, RECORDS AND REPORTS

22. (a) The District shall with reasonable accuracy maintain a modern set of books of account, in form acceptable to the Secretary, showing all the financial transactions of the District. On or before the first day of February of each year the District shall make full and complete written reports to the United States, on forms to be approved and furnished by the Secretary, covering all water delivered to the lands of the District through the works to be constructed hereunder, the disposition of such water, and the nature, extent and total estimated value of each kind of crop produced on the total acreage of the District during the twelve-month period ending December 31 next preceding. The District shall furnish such financial reports and statements of its operations and condition as may be required from time to time by the Secretary. The records and data from which any reports or statements are made shall be accessible to the United States on demand by the Secretary and the District shall cooperate to the fullest extent in facilitating any invesigation by the United States of the facts shown in such records or data.

(b) The District hereby declares its intention to cooperate with the United States in the development, preparation and compilation of such data, reports and statements as in the judgment of the Secretary are necessary or desirable, which operations may, at the request of the District, be performed by the United States at the expense of the District. The aggregate cost to the District during any calendar year of operations under this subdivision shall not exceed the sum of Fifteen Thousand Dollars ($15,000), unless a greater sum is authorized by the District. The actual cost to the United States of such operations in any calendar year shall be paid by the District to the United States on March 1st of each year immediately following the year in which such operations are conducted, and upon statement to be furnished by the Secretary.

DISPUTES OR DISAGREEMENTS

23. Disputes or disagreements as to the interpretation or performance of the provisions of this contract shall be determined either by arbitration or court proceedings, the Secretary being authorized to act for the United States in such arbitration proceedings. Whenever a controversy arises out of this contract and the parties hereto agree to submit the matter to arbitration, the District shall name one arbitrator and the Secretary shall name one arbitrator, and the two arbitrators thus chosen shall elect three other arbitrators, but in the event of their failure to name all or any of the three arbitrators within thirty (30) days after their first meeting, such arbitrators not so elected, shall be named by the Senior Judge of the United States Circuit Court of Appeals for the Ninth Circuit. The decision of a majority, with all five (5) arbitrators participating, shall be a valid and binding award of the arbitrators.

INTEREST ON CHARGES DUE FROM DISTRICT

24. No interest shall be charged on any charges due from the District hereunder, except that on all such charges or any part thereof, which remain unpaid by the District to the United States after the same become due, an interest charge of one-half of one percentum (½%) of the amount unpaid shall be added thereto, and thereafter an additional interest charge of one-half of one percentum (½%) of the principal sum shall be added on the first day of each succeeding calendar month until the amount due, including such interest, is paid in full.

CONTRACT SUBJECT TO COLORADO RIVER COMPACT

25. This contract is made upon the express condition and with the express covenant that all rights hereunder shall be subject to and controlled by the Colorado River Compact, approved by Section 13 (a) of the Boulder Canyon Project Act, and the parties hereto shall observe and be subject to and controlled by said Colorado River Compact in the construction, management and operation of all works provided for herein. It is understood and agreed by the parties hereto that this contract does not deal with the subject of availability of water.

APPLICATION OF RECLAMATION LAW

26. Except as provided in the Boulder Canyon Project Act, the Reclamation Law shall govern the construction, operation and maintenance of the works to be constructed hereunder.

LANDS NOT TO RECEIVE WATER UNTIL OWNERS THEREOF EXECUTE CERTAIN CONTRACTS

27. No water shall be delivered to any excess lands, as defined in Article 29 hereof, unless the owners thereof shall have executed valid recordable contracts in form satisfactory to the Secretary, agreeing to the provisions of this contract between the United States and the District; agreeing to the appraisal provided for in Article 28 hereof and that such appraisal shall be made on the basis of the actual bona fide value of such lands at the date of the appraisal without reference to the construction of the Coachella Main Canal or the distribution system and system of protective works herein agreed to be constructed, all as hereinafter provided; and agreeing to the sale of such lands under terms and conditions satisfactory to the Secretary and at prices not to exceed those fixed by the Secretary, as hereinafter provided. No sale of any such lands shall carry the right to receive water delivered under said contract of October 15, 1934, unless and until the purchase price involved in such

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sale is approved by the Secretary and upon proof of fraudulent representation as to the true consideration involved in such sales the Secretary may instruct the District by written notice to refuse to deliver any water to the land involved in such fraudulent sales and the District thereafter shall not deliver said water to such lands.

VALUATION AND SALE OF EXCESS LANDS

28. (a) The value of the irrigable lands within the District as defined in Article 29, held in private ownership of large landowners as defined in said Article, for the purposes of this contract, shall be determined, subject to the approval thereof by the Secretary, by three appraisers. One of said appraisers shall be designated by the Secretary and one shall be designated by the District and the two appraisers so appointed shall name the third. If the appraisers so designated by the Secretary and the District are unable to agree upon the appointment of the third, they shall so advise the Secretary and the District and the designation of the third appraiser shall then be made by the Secretary.

(b) The following principles shall govern the appraisal:

(i) No value shall be given such lands on account of the existing or prospective possibility of securing water from the Coachella Main Canal or the distribution system and system of protective works herein agreed to be constructed.

(ii) The value of improvements on the land at the time of said appraisal shall be included therein, but shall also be set forth separately in such appraisal.

(c) The cost of the appraisal shall be paid by the United States.

(d) Any improvements made or placed on the appraised land after the appraisal hereinabove provided for prior to sale of the land by a large landowner may be appraised in like manner, and the same shall be subject to approval by the Secretary or his authorized representative.

(e) Future sales of such irrigable lands of large landowners shall not carry the right to receive water delivered under said contract of October 15, 1934, for such land and the District agrees to refuse to deliver water to land so sold until, in addition to compliance with the other provisions, hereof:

(i) A verified statement showing the sale price upon any such sale shall have been filed with the District; and

(ii) There shall have been complied with by the landowner such reasonable rules and regulations as may now or hereafter be promulgated by the Secretary for the better administration and enforcement of the Reclamation Law and of the provisions hereof, which may include, among others, the requirement that prior to delivery of water to any District lands acquired from a large landowner, the owner thereof shall furnish the District with an affidavit describing in detail the affiant's purchase of such lands made prior thereto.

(f) The District agrees, by all reasonable means, including the quarterly examination of county records or procurement of necessary title abstract serv-

ice and otherwise, to ascertain the occurrence and conditions of all sales of such irrigable lands of large landowners and to inform the United States concerning the same.

(g) A true copy of this contract and of each appraisal made pursuant thereto shall be maintained on file in the office of the District and like copies in the office of the Regional Director, United States Bureau of Reclamation, Boulder City, Nevada, and shall be made available for examination during the usual office hours by all persons who may be interested therein.

EXCESS LANDS

29. (a) As used herein the term "excess land" means that part of the irrigable land within the District in excess of 160 acres held in the beneficial ownership of any single person; or in excess of 320 acres held in the beneficial ownership of husband and wife jointly, as tenants in common or by the entirety, or as community property; the term "large landowner" means an owner of excess lands; the term "nonexcess land" means all irrigable land within the District which is not excess land as defined herein; and the term "irrigable lands within the District" means those lands now or hereafter within the District and lying within the Coachella Service Area, which, in the conclusive determination of the Secretary, are irrigable and susceptible of service from the Distribution system herein agreed to be constructed.

(b) Each large landowner as a further condition precedent to the right to receive water delivered under said contract of October 15, 1934, for any of his excess lands shall:

(i) Before the initial delivery date or before the expiration of six months from the announcement thereof, whichever occurs first, execute a valid recordable contract in form satisfactory to the Secretary, agreeing to the provisions herein contained and agreeing to dispose of his excess lands in accordance therewith to persons who can take title thereto as nonexcess land as herein provided and at a price not to exceed the approved, appraised value of such excess land and within a period of ten years after the date of the execution of said recordable contract and agreeing further that if said land is not so disposed of within said period of ten years the Secretary shall have the power to dispose of said land subject to the same conditions on behalf of such large landowner subject to conditions all as herein provided; and the District agrees that it will refuse to deliver water to any large landowner other than for his nonexcess lands until such owner meets the conditions precedent herein stated.

(ii) Within thirty days after the date of notice from the United States requesting such large landowner to designate his irrigable lands within the District which he desires to designate as nonexcess lands, file in the office of the District, in duplicate, one copy thereof to be furnished by the District to the United States, his written designation and description of lands so selected to be nonexcess lands and upon failure to do so the District shall make such designation and mail a notice thereof to such large landowner, and in the event the District fails to act within such period of time as the Secretary considers reasonable, such designation will be made by the Secretary who will mail a notice thereof to the District and the large landowner. The large landowner shall be-

come bound by any such action on the part of the District or the Secretary and the District will deliver water only to the land so designated to be nonexcess land.

PUBLIC LANDS SUBJECT TO THE ACT OF AUGUST 11, 1916, AS AMENDED

30. Those public lands of the United States and entered lands for which no final certificates have been issued, located within the District, and described on the list which is hereto attached, marked Exhibit "B," and by this reference made a part hereof, are hereby designated as subject to all the provisions of the act entitled "An Act to promote the reclamation of arid lands," approved August 11, 1916 (39 Stat. 506), as amended by the Act of May 15, 1922 (42 Stat. 541); provided, that unentered public lands, while in that status, shall not be assessed by the District for any purpose.

CONTRACT TO BE AUTHORIZED BY ELECTION AND CONFIRMED BY COURT

31. The execution of this contract by the District shall be authorized by the qualified electors of the District at an election held for that purpose. Thereafter, without delay, the District shall prosecute to judgment proceedings in court for a judicial confirmation of the authorization and validity of this contract. The United States shall not be in any manner bound under the terms and conditions of this contract unless and until a confirmatory final judgment in such proceedings shall have been rendered, including final decision, or pending appellate action if ground for appeal be laid. The District shall, without delay and at its own cost and expense, furnish the United States for its files copies of all proceedings relating to the election upon this contract and the confirmation proceedings in connection therewith, which said copies shall be properly certified by the clerk of the court in which confirmatory judgment is obtained.

CONTRACT CONTINGENT UPON APPROPRIATIONS

32. This contract is subject to appropriations or allocations being made by Congress or other Governmental financing authorities from year to year of moneys sufficient to do the work provided for herein, and to there being sufficient moneys available in the Colorado River Dam Fund to permit allotments to be made for the performance of such work. No liability shall accrue against the United States, its officers, agents, attorneys, or employees, by reason of sufficient moneys not being so appropriated or on account of there not being sufficient moneys in the Colorado River Dam Fund to permit of said allotments.

NOTICES

33. (a) Any notice, demand or request required or authorized by this contract to be given or made to or upon the United States shall be delivered, or

mailed postage prepaid, to the Regional Director, United States Bureau of Reclamation, Boulder City, Nevada, except where, by the terms hereof, the same is to be given or made to or upon the Secretary, in which event it shall be delivered, or mailed postage prepaid, to the Secretary of the Interior, at Washington, D. C.

(b) Any notice, demand or request required or authorized by this contract to be given or made to or upon the District shall be delivered, or mailed postage prepaid, to the Chief Engineer and General Manager of the Coachella Valley County Water District, Coachella, Riverside County, California.

(c) The designation of any person specified in this Article, or the address of any such person, may be changed at any time by notice given in the same manner as provided in this Article for other notices.

RIGHTS RESERVED UNDER SECTION 3737, REVISED STATUTES

34. All rights of action for breach of any of the provisions of this contract are reserved to the United States as provided in Section 3737 of the Revised Statutes of the United States.

REMEDIES UNDER CONTRACT NOT EXCLUSIVE

35. Nothing contained in this contract shall be construed as in any manner abridging, limiting or depriving the United States or the District of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any provision hereof, or of any other or subsequent breach of any provision hereof.

INTEREST IN CONTRACT NOT TRANSFERABLE

36. No interest in this contract is transferable by the District to any other party, and any such attempted transfer shall cause this contract to become subject to annulment at the option of the United States.

CONTRACT OF OCTOBER 15, 1934, TO REMAIN IN FULL FORCE AND EFFECT, EXCEPT AS HEREIN MODIFIED

37. Except as modified by the provisions hereof, the aforesaid contract between the United States and the District of date October 15, 1934 (Ilr-781), shall be and remain in full force and effect.

PRIORITY OF CLAIMS OF THE UNITED STATES

38. Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured.

OFFICIALS NOT TO BENEFIT

39. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

DISCRIMINATION AGAINST EMPLOYEES OR APPLICANTS FOR EMPLOYMENT PROHIBITED

40. The District shall not discriminate against any employee or applicant for employment because of race, creed, color, or national origin, and shall require an identical provision to be included in all subcontracts; Provided, however, That this clause does not refer to, extend to or cover the business or activities of the District which are not related to or involved in the performance of this contract.

REPRESENTATIVE OF SECRETARY

41. Where this contract provides for action by the Secretary, such action may be taken, subject to review by the Secretary, for and on behalf of the Secretary by his representative duly authorized by him.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By (S) WILLIAM E. WARNE,
Assistant Secretary of the Interior.

[SEAL]

COACHELLA VALLEY COUNTY WATER DISTRICT,
By (S) E. KEITH FARRAR, *President.*

Attest:
(S) BARBARA K. SCHMID, *Secretary.*

KEY MAP

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

BOULDER CANYON PROJECT

ALL-AMERICAN CANAL SYSTEM-CALIFORNIA

COACHELLA VALLEY COUNTY WATER DISTRICT

DISTRICT SYSTEM AND PROTECTIVE WORKS

SCALE OF MILES

DENVER, COLO. AUGUST 1, 1947 DIZ-D-7489

U. S. GOVERNMENT PRINTING OFFICE: 1949 O - 833942

833942 O - 50 (Face p. 266)

EXHIBIT B

Unentered Public Lands and Entered Lands for Which No Final Certificates Have Been Issued

S.B.M. Twp. (S)	S.B.M. Rge. (E)	Section	Description
			Unentered Public Lands
5	7	12	SW¼SE¼
5	8	20	SW¼NE¼, SE¼
6	7	4	S½
		8	E½NE¼
		20	SE¼SE¼
6	8	4	N½SE¼ (Except that portion included in the White Water Storm Channel)
6	9	30	W½NE¼, S½SE¼
		32	N½NW¼, N½SW¼
7	8	34	NW¼NW¼
7	9	10	N½NE¼, SW¼NE¼
		14	NW¼NE¼, SE¼NE¼, NE¼NW¼, S½NW¼, N½SW¼, N½SE¼, SE¼SE¼
		22	E½NE¼
			Entered Lands for Which no Final Certificates Have Been Issued
5	7	12	SW¼NW¼, NW¼SW¼
5	8	18	S½NW¼
		34	SW¼
6	7	34	NW¼NW¼
7	9	10	N½NW¼, SE¼NW¼, W½SW¼

B. REGULATIONS

[ITEM 26]

BOULDER CANYON PROJECT

GENERAL REGULATIONS

CONTRACTS FOR THE STORAGE OF WATER IN BOULDER CANYON RESERVOIR, AND THE DELIVERY THEREOF

ISSUED APRIL 23, 1930; AMENDED SEPTEMBER 28, 1931

1. No person shall have or be entitled to have the use for any purpose of the water stored in Boulder Canyon Reservoir except by contract made in pursuance of these regulations. All contracts for delivery of water shall be subject to all the terms and provisions of the Colorado River Compact and of the Boulder Canyon Project Act.

2. The right is reserved to amend or extend these regulations from time to time consistently with said compact and the laws of Congress, as the public need may require.

3. Storage water in Boulder Canyon Reservoir will be delivered upon such terms and conditions as the Secretary may fix from time to time by regulations and contracts thereunder. Water so contracted for may be delivered at such points on the river as may be agreed upon for irrigation and domestic uses.

4. Contracts respecting water for irrigation and domestic uses shall be for permanent service, and shall conform to Paragraph a of Section 4 of the Boulder Canyon Project Act.

5. No charge shall be made for water or for the use, storage or delivery of water for irrigation or for water for potable purposes in the Imperial and Coachella Valleys. Charges otherwise shall be fixed by regulation from time to time. Where water is permitted by the Secretary to be taken from the Colorado

River from the reservoir above the Hoover Dam, the utilization of the power plant will be impaired to that extent, and the right is reserved to make a higher charge for water taken above the dam, than if delivery is made below the dam.

6. Subject to the provisions of Article 7 of these regulations, deliveries of water to users in California shall be in accordance with the following recommendation of the State Division of Water Resources:

> The waters of the Colorado River available for use within the State of California under the Colorado River Compact and the Boulder Canyon Project Act shall be apportioned to the respective interests below named and in amounts and with priorities therein named and set forth, as follows:
>
> SECTION 1. A first priority to Palo Verde Irrigation District for beneficial use exclusively upon lands in said District as it now exists and upon lands between said District and the Colorado River, aggregating (within and without said District) a gross area of 104,500 acres, such waters as may be required by said lands.
>
> SECTION 2. A second priority to Yuma Project of United States Bureau of Reclamation for beneficial use upon not exceeding a gross area of 25,000 acres of land located in said project in California, such waters as may be required by said lands.
>
> SECTION 3. A third priority (a) to Imperial Irrigation District and other lands under or that will be served from the All-American Canal in Imperial and Coachella Valleys, and (b) to Palo Verde Irrigation District for use exclusively on 16,000 acres in that area known as the "Lower Palo Verde Mesa," adjacent to Palo Verde Irrigation District, for beneficial consumptive use, 3,850,000 acre feet of water per annum less the beneficial consumptive use under the priorities designated in Sections 1 and 2 above. The rights designated (a) and (b) in this section are equal in priority. The total beneficial consumptive use under priorities stated in Sections 1, 2 and 3 of this article shall not exceed 3,850,000 acre feet of water per annum.
>
> SECTION 4. A fourth priority to the Metropolitan Water District of Southern California and/or the City of Los Angeles, for beneficial consumptive use, by themselves and/or others, on the Coastal Plain of Southern California, 550,000 acre feet of water per annum.
>
> SECTION 5. A fifth priority (a) to The Metropolitan Water District of Southern California and/or the City of Los Angeles, for beneficial consumptive use, by themselves and/or others, on the Coastal Plain of Southern California, 550,000 acre feet of water per annum and (b) to the City of San Diego and/or County of San Diego, for beneficial consumptive use, 112,000 acre feet of water per annum. The rights designated (a) and (b) in this section are equal in priority.
>
> SECTION 6. A sixth priority (a) to Imperial Irrigation District and other lands under or that will be served from the All-American Canal in Imperial and Coachella Valleys, and (b) to Palo Verde Irrigation District for use exclusively on 16,000 acres in that area known as the "Lower Palo Verde Mesa," adjacent to Palo Verde Irrigation District, for beneficial consumptive use, 300,000 acre feet of water per annum. The rights designated (a) and (b) in this section are equal in priority.
>
> SECTION 7. A seventh priority of all remaining water available for use within California, for agricultural use in the Colorado River Basin in California, as said basin is designated on Map No. 23000 of the Department of the Interior, Bureau of Reclamation.
>
> SECTION 8. So far as the rights of the allottees named above are concerned, the Metropolitan Water District of Southern California and/or the City of Los Angeles shall have the exclusive right to withdraw and divert into its aqueduct any water in Boulder Canyon Reservoir accumulated to the individual credit of said District and/or

said City (not exceeding at any one time 4,750,000 acre feet in the aggregate) by reason of reduced diversions by said District and/or said City; provided, that accumulations shall be subject to such conditions as to accumulation, retention, release and withdrawal as the Secretary of the Interior may from time to time prescribe in his discretion, and his determination thereof shall be final; provided further, that the United States of America reserves the right to make similar arrangements with users in other States without distinction in priority, and to determine the correlative relations between said District and/or said City and such users resulting therefrom.

SECTION 9. In addition, so far as the rights of the allottees named above are concerned, the City of San Diego and/or County of San Diego shall have the exclusive right to withdraw and divert into an aqueduct any water in Boulder Canyon Reservoir accumulated to the individual credit of said City and/or said County (not exceeding at any one time 250,000 acre feet in the aggregate) by reason of reduced diversions by said City and/or said County; provided, that accumulations shall be subject to such conditions as to accumulation, retention, release and withdrawal as the Secretary of the Interior may from time to time prescribe in his discretion, and his determination thereof shall be final; provided further, that the United States of America reserves the right to make similar arrangements with users in other States without distinction in priority, and to determine the correlative relations between the said City and/or said County and such users resulting therefrom.

SECTION 10. In no event shall the amounts allotted in this agreement to the Metropolitan Water District of Southern California and/or the City of Los Angeles be increased on account of inclusions of a supply for both said District and said City, and either or both may use said apportionments as may be agreed by and between said District and said City.

SECTION 11. In no event shall the amounts allotted in this agreement to the City of San Diego and/or to the County of San Diego be increased on account of inclusion of a supply for both said City and said County, and either or both may use said apportionments as may be agreed by and between said City and said County.

SECTION 12. The priorities hereinbefore set forth shall be in no wise affected by the relative dates of water contracts executed by the Secretary of the Interior with the various parties.

7. The Secretary reserves the right to contract with any of the allottees above named in accordance with the above stated recommendation, or, in the event that such recommendation as to Palo Verde Irrigation District is superseded by an agreement between all the above allottees or by a final judicial determination, to contract with the Palo Verde Irrigation District in accordance with such agreement or determination; *Provided,* that priorities numbered fourth and fifth in said recommendation shall not thereby be disturbed.

(Signed) RAY LYMAN WILBUR,
Secretary of the Interior.

[ITEM 27]

BOULDER CANYON PROJECT

GENERAL REGULATIONS

FOR THE STORAGE OF WATER IN BOULDER CANYON RESERVOIR AND THE DELIVERY THEREOF IN ARIZONA

ISSUED FEBRUARY 7, 1933

I

These regulations are promulgated to further the peaceful enjoyment by Arizona, California and Nevada of the waters of the Colorado River. They state the form of a water delivery contract which the United States will enter into with the State of Arizona, subject to certain conditions stated below.

II

The authorization for a contract provided in these regulations shall remain in force only for so long a period as the State of Arizona, and claimants to the use of water therein, do not interfere, by litigation or otherwise, with diversions of other holders, present and future, of water contracts with the United States and with diversion works constructed by or for them or the United States. In the event of such interference these regulations and the authorization herein contained shall thereupon become void.

III

The United States, subject to the foregoing conditions, will enter into a contract with the State of Arizona in substantially the form stated in Exhibit "A," hereto annexed as a part hereof.

(Signed) RAY LYMAN WILBUR,
Secretary of the Interior.

February 7, 1933.

Exhibit "A"; part of regulations of February 7, 1933.

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

BOULDER CANYON PROJECT

Contract for Delivery of Water

This contract, made this..... day of..... 1933, pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), and acts amendatory thereof and supplemental thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat. 1057), designated the Boulder Canyon Project Act, between the United States of America, hereinafter referred to as the United States, acting for this purpose by Ray Lyman Wilbur, Secretary of the Interior, hereinafter styled the Secretary, and the State of Arizona, acting for this purpose by.....
.....:

WITNESSETH:

EXPLANATORY RECITALS

2. WHEREAS, pursuant to the direction of the said Boulder Canyon Project Act, the Secretary has caused to be let a contract for the construction of a dam, known and referred to hereinafter as Hoover Dam, in the main stream of the Colorado River at Black Canyon, and said dam will create at the date of completion a storage reservoir having a maximum water surface elevation at about one thousand two hundred and twenty-nine (1229) feet above sea level (U. S. Geological Survey datum) and a capacity of about 30,500,000 acre-feet, and

3. WHEREAS, the Secretary is required by the said Boulder Canyon Project Act to use said dam and the reservoir created thereby, first for river regulation, improvement of navigation and flood control; second, for irrigation and domestic use, and the satisfaction of perfected rights in pursuance of Article VIII, of the Colorado River Compact, and third, for power, and

4. WHEREAS, said Boulder Canyon Project Act authorizes the Secretary, under such general regulations as he may prescribe, to contract for the storage of water in said reservoir and for delivery thereof at such points on the river as may be agreed upon, and provides further that no person shall have or be entitled to have the use for any purpose of the water stored as aforesaid, except by contract made as therein stated; and

5. WHEREAS, the Secretary has heretofore promulgated regulations dated April 23, 1930, amended September 28, 1931, authorizing the execution of certain other water delivery contracts, and it is the desire of the parties to this agreement to contract for the storage of waters for use on lands in Arizona, and to assure the peaceful and uninterrupted performance of all such contracts, including this; and

6. WHEREAS, by direction of Congress, water has been reserved and appropriated for lands within the Colorado River Indian Reservation in Arizona, unaffected by the Colorado River Compact by virtue of Article VII thereof; and

7. WHEREAS, the United States and the State of Arizona, contemplating the future construction of other reclamation projects, and desiring to avoid claims by foreign water users to waters stored by Hoover Dam to the detriment of said projects, desire to provide for the storage of certain quantities of water for the benefit of lands in Arizona without prejudice to whatever right the parties may have hereafter to contract as to additional quantities of water; and

8. WHEREAS, the diversion works in the Colorado River contemplated for certain of the contractors under said regulations of April 23, 1930, amended September 28, 1931, particularly the proposed Imperial Dam, and the proposed dam for the Metropolitan Water District of Southern California near Parker, will be of service for delivery of waters covered by this contract, and it is essential to the purpose of this contract that the building of said works, when approved by the United States, shall not be interfered with:

9. Now, therefore, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to-wit:

DELIVERY OF WATER BY THE UNITED STATES

10. From storage available in the reservoir created by Hoover Dam, the United States will deliver under this contract each year at points of diversion hereinafter referred to on the Colorado River so much available water as may be necessary to enable the beneficial consumptive use in Arizona of not to exceed two million eight hundred thousand (2,800,000 acre-feet annually by all diversions affected from the Colorado River and its tributaries below Lee Ferry (but in addition to all uses from waters of the Gila River and its tributaries), subject to the following provisions:

(a) This contract is without prejudice to the claims of the State of Arizona and States in the Upper Basin as to their respective rights in and to waters of

the Colorado River, and relates only to water physically available for delivery in the Lower Basin under the terms hereof.

(b) The United States does not undertake by this contract to deliver water above Hoover Dam; but the obligation to deliver water below Hoover Dam shall be diminished to the extent that consumptive uses in Arizona effected by diversions from the Colorado River and its tributaries below Lee Ferry diminish the inflow to the reservoir.

(c) It is recognized by the parties hereto that differences of opinion may exist between the State of Arizona and other contractors as to what part of the water contracted for by each falls within Article III (a) of the Colorado River compact, what part within Article III (b) thereof, what part is surplus water under said compact, what part is unaffected by said compact, and what part is affected by various provisions of section 4 (a) of the Boulder Canyon Project Act. Accordingly, while the United States undertakes to supply water from the regulated discharge of Hoover Dam waters in quantities stated by this contract as well as contracts heretofore or hereafter made pursuant to regulations of April 23, 1930, amended September 28, 1931, this contract is without prejudice to relative claims of priorities as between the State of Arizona and other contractors with the United States, and shall not otherwise impair any contract heretofore authorized by said regulations.

(d) This contract is without prejudice to the right of the United States to make further disposition of water available for use in the Lower Colorado River Basin not heretofore allocated by regulations nor herein contracted for, or to the respective claims of the States of Arizona, New Mexico, Utah, California, and Nevada, and of Mexico, to such additional water.

(e) The water provided for in this contract shall be delivered continuously, so far as reasonable diligence will permit, to the extent such water is beneficially used for irrigation and domestic purposes. The United States reserves the right to discontinue or temporarily reduce the amount of water to be delivered for the purpose of investigation, inspection, maintenance, repairs, replacement or installation of equipment and/or machinery at Hoover Dam, but so far as feasible will give reasonable notice in advance of such temporary discontinuance or reduction. The United States, its officers, agents, and employees shall not be liable for damages when for any reason whatsoever suspensions or reductions in delivery of water occur.

SUBORDINATE CONTRACTS AUTHORIZED

11. Deliveries of water subject to the terms of this contract may be made for lands within any Indian Reservation in Arizona, and to any individual, irrigation district, corporation, or any political subdivision of the State of Arizona, which may qualify under the Reclamation Law or other Federal statute. Contracts with such water users for such deliveries, subject to the terms of this

contract, may be made by the Secretary in his discretion. Such contracts and deliveries made thereunder shall be deemed as made in discharges, pro tanto, of the obligations of this contract.

POINTS OF DIVERSION: MEASUREMENT OF WATER

12. The water to be delivered under this contract shall be measured at the points of diversion, or elsewhere as the Secretary may direct, by measuring and controlling devices or automatic gauges approved by the Secretary, which, however, shall be furnished, installed and maintained by the State of Arizona, or the users of water. Said measuring and controlling devices or automatic gauges shall be subject to the inspection of the United States, whose authorized representatives may at all times have access to them, and any deficiencies or inaccuracies found shall be promptly corrected. The United States shall be under no obligation to deliver any water which may be diverted at points at which such devices are not maintained, but in the event that diversions are made at points where measuring and controlling devices or automatic gauges are not maintained in accordance with this contract, the Secretary shall estimate the quantity of the diversions and his determination shall be final.

RECORDS OF WATER DELIVERIES

13. The State of Arizona shall cause to be made by water users or otherwise monthly reports on forms to be supplied by the United States of all water diverted from the Colorado River. Such reports shall be made by the 5th day of the month immediately succeeding the month in which the water is delivered.

NO CHARGES FOR DELIVERY OF WATER

14. No charge shall be made for water or for the use, storage or delivery of water for irrigation, or water for potable purposes, in Arizona.

NO ARIZONA DIVERSIONS TO BE MADE EXCEPT PURSUANT HERETO: DIVERSIONS IN OTHER STATES

15. It is the object of this contract to assure to those (including the State of Arizona) who have contracted or may hereafter contract with the United States for delivery of waters stored by Hoover Dam, the quiet performance of their respective contracts. It is accordingly agreed that:

(a) The State of Arizona will hereafter grant no permits for, nor otherwise authorize, uses of the waters of the Colorado River and its tributaries (other than the Gila River and its tributaries), except subject to the terms of this contract.

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(b) The State of Arizona and its permittees will not interfere by litigation or otherwise, with deliveries of water under any contract between the United States and water users in the State of Nevada, or any contract made pursuant to regulations dated April 23, 1930, amended September 28, 1931, nor with the construction of diversion works by or for the holder thereof, nor with diversions or other uses affected by such works; unless and until such contractor interferes, by litigation or otherwise ,with the enjoyment of this contract. But in the event of such interference by any other such contractor with the enjoyment of this contract, the State may, at its election, either rely on this contract, or assert all rights which the State or any water user therein would have had against such party if this contract had not been made.

(c) Breach by the State of any of the provisions of this article shall entitle the United States at its option to cancel this contract and any or all subordinate contracts referred to in article 11.

DURATION OF CONTRACT

16. This contract is for permanent service, subject to the provisions contained in the preceding article.

DISPUTES AND DISAGREEMENTS

17. Whenever a controversy arises out of this contract, and if the parties hereto then agree to submit the matter to arbitration, the State of Arizona shall name one arbitrator and the Secretary shall name one arbitrator, and the two arbitrators thus chosen shall elect three other arbitrators within fifteen (15) days after their first meeting, but in the event of their failure to name all or any of the three arbitrators within thirty (30) days after their first meeting, such arbitrators, not so elected, shall be named by the Senior Judge of the United States Circuit Court of Appeals for the Ninth Circuit. The decision of any three of the five shall be a valid and binding award.

RULES AND REGULATIONS

18. The Secretary may prescribe and enforce rules and regulations governing the delivery and diversion of water hereunder, but such rules and regulations shall be promulgated, modified, revised and/or extended from time to time only after notice to the State of Arizona and opportunity for it to be heard.

AGREEMENT SUBJECT TO COLORADO RIVER COMPACT

19. As required by section 13 (c) of the Boulder Canyon Project Act, this contract is made upon the express condition and with the express understanding that all rights hereunder shall be subject to and controlled by the Colorado

River Compact, being the compact or agreement signed at Santa Fe, New Mexico, November 24, 1922, pursuant to Act of Congress approved August 19, 1921, entitled "An Act to permit a compact, or agreement between the States of Arizona, California, Colorado, Nevada, New Mexico, Utah and Wyoming respecting the disposition and apportionment of the waters of the Colorado River, and for other purposes," as approved by the Boulder Canyon Propect Act, but is without prejudice to the respective contentions of the State of Arizona and of the parties to said compact, as to interpretation thereof.

EFFECTIVE DATE OF CONTRACT

20. This contract shall take effect when an act of the legislature of Arizona ratifying it shall have become effective, but within two years of the date hereof.

INTEREST IN CONTRACT NOT TRANSFERABLE

21. No interest in or under this contract shall be transferable by either party without the written consent of the other.

MEMBER OF CONGRESS CLAUSE

22. No Member of or Delegate to Congress or Resident Commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom. Nothing, however, herein contained shall be considered to extend to this contract if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By RAY LYMAN WILBUR,
Secretary of the Interior.

THE STATE OF ARIZONA,
By .....

Attest:

Approved as to form:
(S) RAY LYMAN WILBUR,
Secretary of the Interior.
February 7, 1933.

The foregoing contract was ratified by act of the Legislature of Arizona which became effective....., 193....., true copy of which is hereto annexed.

THE SECRETARY OF THE INTERIOR
WASHINGTON

June 29, 1933.

Hon. B. B. MOEUR,
Governor of Arizona,
Phoenix, Arizona.

MY DEAR GOVERNOR MOEUR: In a letter addressed to you February 10, 1933, by Ray Lyman Wilbur, Secretary of the Interior, there was transmitted regulations signed by him as of February 7, and which he released February 13, relative to delivery of certain stored water of the Colorado River to the State of Arizona. Attached to the regulations and as a part of it was a proposed contract to be entered into between the United States and the State of Arizona.

In your telegram of February 16, 1933, you expressed the opinion that the contract would not be satisfactory to the State and that your Attorney General believed the contract would not satisfactorily solve the Colorado River problem from Arizona's sandpoint. There is some doubt about the effect of the regulations and therefore they are hereby withdrawn.

Sincerely yours,

(Sgd.) HAROLD L. ICKES,
Secretary of the Interior.

C. MISCELLANEOUS

[ITEM 28]

BOULDER CANYON PROJECT

PRELIMINARY AGREEMENT

FOR THE DIVERSION OF COLORADA RIVER WATER AVAILABLE TO CALIFORNIA

FEBRUARY 21, 1930

Whereas, the undersigned, Colorado River Commissioners of California; representatives of the Governor of California; representatives of the Metropolitan Water District; the Coachella Valley County Water District; the Imperial Irrigation District, the Palo Verde Irrigation District; and the Boulder Dam Association have reached an understanding for the division of Colorado River water which will be available to California upon the following basis:

Class A. Water:	Agricultural Groups	3,850,000	acre feet per annum
	Metrop. District	550,000	" " " "
	Total	4,400,000	
Next 550,000 acre feet per annum, available for California use.....	Metrop. Dist.	550,000	" " " "
All water in river available for California use in excess of above 4,950,000 acre feet per annum	Agricultural group all.		

and have studied in great detail the available water supply from the Colorado River and the water requirements of California from that source and while we recognize that California has been so limited as to make infeasible otherwise feasible projects including several hundred thousand acres of land we do find that if there are no further limitations then upon the construction of the Boulder Dam the supply will be ample for the now going concerns using water from the Colorado and also for the Colorado River Aqueduct to serve the Metropolitan

Water District of Southern California; the Palo Verde Valley lands and the All-American Canal to serve the enlarged development in the Imperial and Coachella valleys and we further find that the Colorado River Aqueduct and the All-American Canal will constitute extremely important factors in the growth, protection and prosperity of Southern California and both of these projects ought to be consummated at the earliest possible time.

Now, therefore, be it resolved that we request all those in authority to expedite as much as reasonably possible all steps leading up to the construction of the Boulder Dam, the Colorado River Aqueduct, and the All-American Canal and we urge upon the people of Southern California that they give these three great projects their moral, and financial support to the end that each of them may be an accomplished fact in the very near future.

Dated February 21, 1930.

(Signed) W. J. CARR
A. P. CURRAN
JOHN L. BACON
W. B. MATHEWS
EARL C. POUND
S. C. EVANS
W. P. WHITSETT
HARRY L. HEFFNER
F. E. WEYMOUTH
L. A. HAUSER
JOHN G. BULLOCK
FRANKLIN THOMAS
S. H. FINLEY
W. O. BLAIR
R. W. BLACKBURN
THOS. C. YAGER
MARK ROSE
M. J. DOWD
CHAS. L. CHILDERS

[ITEM 29]

BOULDER CANYON PROJECT

AGREEMENT

REQUESTING APPORTIONMENT OF CALIFORNIA'S SHARE OF THE WATERS OF THE COLORADO RIVER AMONG THE APPLICANTS IN THE STATE

AUGUST 18, 1931

THIS AGREEMENT, made the 18th day of August, 1931, by and between Palo Verde Irrigation District, Imperial Irrigation District, Coachella Valley County Water District, Metropolitan Water District of Southern California, City of Los Angeles, City of San Diego and County of San Diego;

WITNESSETH:

WHEREAS the Secretary of the Interior did, on November 5, 1930, request of the Division of Water Resources of California, a recommendation of the proper apportionments of the water of and from the Colorado River to which California may be entitled under the provisions of the Colorado River Compact, the Boulder Canyon Project Act and other applicable legislation and regulations, to the end that the same could be carried into each and all of the contracts between the United States and applicants for water contracts in California as a uniform clause; and

WHEREAS the parties hereto have fully considered their respective rights and requirements in cooperation with the other water users and applicants and the Division of Water Resources aforesaid;

NOW, THEREFORE, the parties hereto do expressly agree to the apportionments and priorities of water of and from the Colorado River for use in California as hereinafter fully set out and respectfully request the Division of Water Resources to, in all respects, recognize said apportionments and priorities in all matters relating to State authority and to recommend the provisions of Article I

hereof to the Secretary of the Interior of the United States for insertion in any and all contracts for water made by him pursuant to the terms of the Boulder Canyon Project Act, and agree that in every water contract which any party may hereafter enter into with the United States, provisions in accordance with Article I shall be included therein if agreeable to the United States.

ARTICLE I.

The waters of the Colorado River available for use within the State of California under the Colorado River Compact and the Boulder Canyon Project Act shall be apportioned to the respective interests below named and in amounts and with priorities therein named and set forth, as follows:

SECTION 1. A first priority to Palo Verde Irrigation District for beneficial use exclusively upon lands in said District as it now exists and upon lands between said District and the Colorado River, aggregating (within and without said District) a gross area of 104,500 acres, such waters as may be required by said lands.

SECTION 2. A second priority to Yuma Project of United States Bureau of Reclamation for beneficial use upon not exceeding a gross area of 25,000 acres of land located in said project in California, such waters as may be required by said lands.

SECTION 3. A third priority (a) to Imperial Irrigation District and other lands under or that will be served from the All American Canal in Imperial and Coachella Valleys, and (b) to Palo Verde Irrigation District for use exclusively on 16,000 acres in that area known as the "Lower Palo Verde Mesa", adjacent to Palo Verde Irrigation District, for beneficial consumptive use, 3,850,000 acre feet of water per annum less the beneficial consumptive use under the priorities designated in Sections 1 and 2 above. The rights designated (a) and (b) in this section are equal in priority. The total beneficial consumptive use under priorities stated in Sections 1, 2 and 3 of this article shall not exceed 3,850,000 acres feet of water per annum.

SECTION 4. A fourth priority to the Metropolitan Water District of Southern California and/or the City of Los Angeles, for beneficial consumptive use, by themselves and/or others, on the Coastal Plain of Southern California, 550,000 acre feet of water per annum.

SECTION 5. A fifth priority, (a) to The Metropolitan Water District of Southern California and/or the City of Los Angeles, for beneficial consumptive use, by themselves and/or others, on the Coastal Plain of Southern California, 550,000 acre feet of water per annum and (b) to the City of San Diego and/or County of San Diego, for beneficial consumptive use, 112,000 acre feet of water per annum. The rights designated (a) and (b) in this section are equal in priority.

SECTION 6. A sixth priority (a) to Imperial Irrigation District and other lands under or that will be served from the All American Canal in Imperial and Coachella Valleys, and (b) to Palo Verde Irrigation District for use exclusively on 16,000 acres in that area known as the "Lower Palo Verde Mesa," adjacent to Palo Verde Irrigation District, for beneficial consumptive use, 300,000 acre feet of water per annum. The rights designated (a) and (b) in this section are equal in priority.

SECTION 7. A seventh priority of all remaining water available for use within California, for agricultural use in the Colorado River Basin in California, as said basin is designated on Map No. 23000 of the Department of the Interior, Bureau of Reclamation.

SECTION 8. So far as the rights of the allottees named above are concerned, The Metropolitan Water District of Southern California and/or the City of Los Angeles shall have the exclusive right to withdraw and divert into its aqueduct any water in Boulder Canyon Reservoir accumulated to the individual credit of said District and/or said City (not exceeding at any one time 4,750,000 acre feet in the aggregate) by reason of reduced diversions by said District and/or said City; provided, that accumulations shall be subject to such conditions as to accumulation, retention, release and withdrawal as the Secretary of the Interior may from time to time prescribe in his discretion, and his determination thereof shall be final; provided further, that the United States of America reserves the right to make similar arrangements with users in other states without distinction in priority, and to determine the correlative relations between said District and/or said City and such users resulting therefrom.

SECTION 9. In addition, so far as the rights of the allottees named above are concerned, the City of San Diego and/or County of San Diego shall have the exclusive right to withdraw and divert into an aqueduct any water in Boulder Canyon Reservoir accumulated to the individual credit of said County and/or said County (not exceeding at any one time 250,000 acre feet in the aggregate) by reason of reduced diversions by said City and/or said County; provided, that accumulations shall be subject to such conditions as to accumulation, retention, release and withdrawal as the Secretary of the Interior may from time to time prescribe in his discretion, and his determination thereof shall be final; provided further, that the United States of America reserves the right to make similar arrangements with users in other states without distinction in priority, and to determine the correlative relations between the said City and/or said County and such users resulting therefrom.

SECTION 10. In no event shall the amounts allotted in this agreement to the Metropolitan Water District of Southern California and/or the City of Los Angeles be increased on account of inclusion of a supply for both said District and said City, and either or both may use said apportionments as may be agreed by and between said District and said City.

SECTION 11. In no event shall the amounts allotted in this agreement to

the City of San Diego and/or to the County of San Diego be increased on account of inclusion of a supply for both said City and said County, and either or both may use said apportionments as may be agreed by and between said City and said County.

SECTION 12. The priorities hereinbefore set forth shall be in no wise affected by the relative dates of water contracts executed by the Secretary of the Interior with the various parties.

ARTICLE II.

That each and every party hereto who has heretofore filed an application or applications for a permit or permits to appropriate water from the Colorado River requests the Division of Water Resources to amend such application or applications as far as possible to bring it or them into conformity with the provisions of this agreement; and each and every party hereto who has heretofore filed a protest or protests against any such application or applications of other parties hereto does hereby request withdrawal of such protest or protests against such application or applications when so amended.

ARTICLE III.

That each and all of the parties to this agreement respectfully request that the contract for delivery of water between The United States of America and The Metropolitan Water District of Southern California under date of April 24, 1930, be amended in conformity with Article I hereof.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their respective officers thereunto duly authorized, the day and year first above written. Executed in seven originals.

Recommended for Execution:

PALO VERDE IRRIGATION DISTRICT,
By ED J. WILLIAMS,
ARVIN B. SHAW, JR.

IMPERIAL IRRIGATION DISTRICT,
By MARK ROSE,
CHAS. L. CHILDERS,
M. J. DOWD.

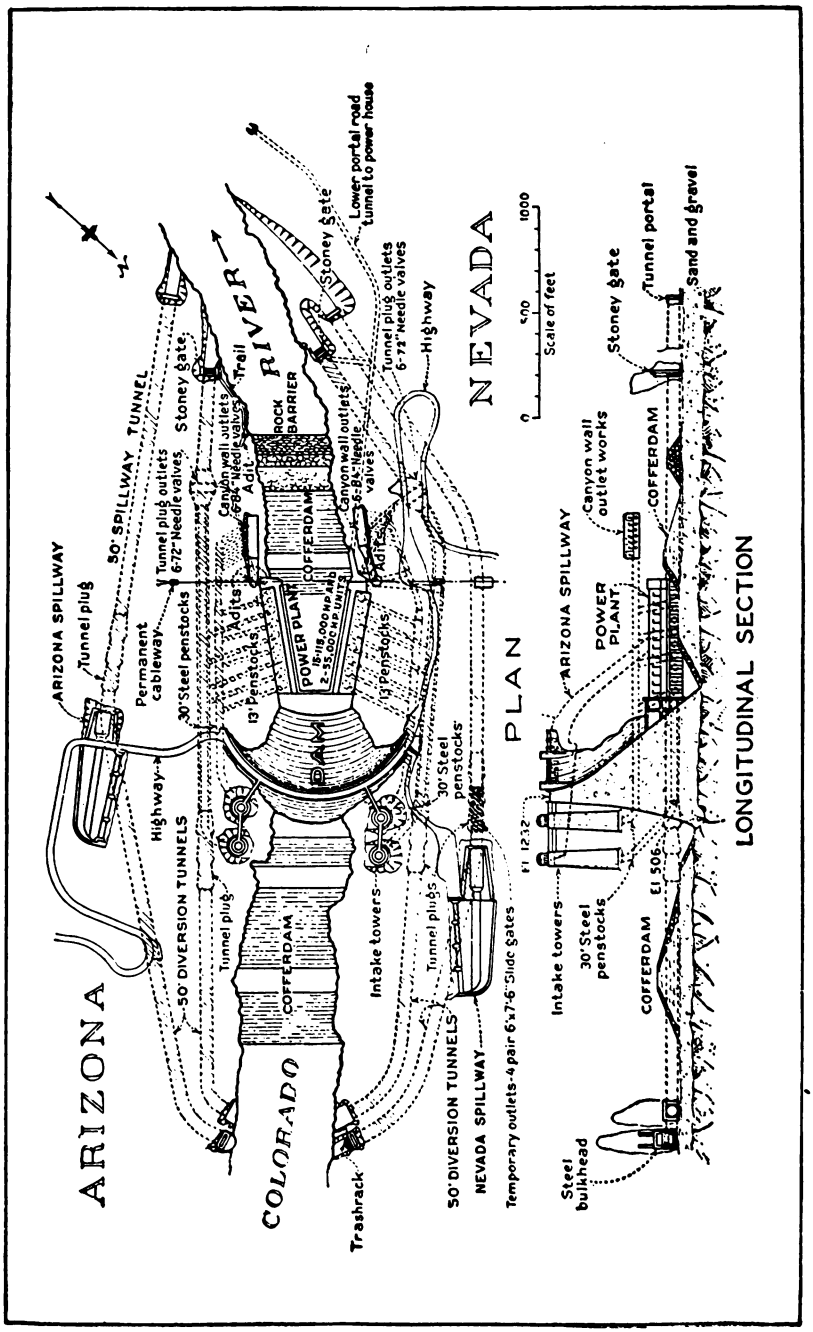
COACHELLA VALLEY COUNTY WATER DISTRICT,
By THOS. C. YAGER.

METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA,
By W. B. MATTHEWS,
C. C. ELDER.

CITY OF LOS ANGELES,
By W. W. HURLBUT,
C. A. DAVIS.

CITY OF SAN DIEGO,
By C. L. BYERS,
H. N. SAVAGE.

COUNTY OF SAN DIEGO,
By H. N. SAVAGE,
C. L. BYERS.



HOOVER DAM AND APPURTENANT WORKS.

SUBDIVISION III

POWER CONTRACTS

A. CONTRACTS

[ITEM 30]

BOULDER CANYON PROJECT

CONTRACT FOR LEASE OF POWER PRIVILEGE

THE UNITED STATES

AND SEVERALLY

THE CITY OF LOS ANGELES

SOUTHERN CALIFORNIA EDISON COMPANY LTD.

APRIL 26, 1930

(11r–646)

(1) THIS CONTRACT, made this 26th day of April, nineteen hundred thirty, pursuant to the Act of Congress approved June 17, 1902 (32 Stat., 388), and acts amendatory thereof or suplementary thereto, all of which acts are commonly known and referred to as the reclamation law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat., 1057), designated the Boulder Canyon Project Act, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by Ray Lyman Wilbur, Secretary of the Interior, hereinafter styled the Secretary, and, severally, THE CITY OF LOS ANGELES, a municipal corporation, hereinafter styled the City, acting for this purpose by its Board of Water and Power Commissioners, and SOUTHERN CALIFORNIA EDISON COMPANY LTD., a private corporation, hereinafter styled the Company, both of said corporations being organized and existing under the laws of the State of California, and hereinafter styled the Lessees:

WITNESSETH:

EXPLANATORY RECITALS

(2) WHEREAS, for the purpose of controlling the floods, improving navigation and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters for reclamation of public lands and other beneficial uses exclusively within the United States, and for the generation of electrical energy, the Secretary, subject to the terms of the Colorado River Compact, is authorized to construct, operate and maintain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon, adequate to create a storage reservoir of a capacity of not less than twenty million acre-feet of water; also to construct, equip, operate and maintain at or near said dam, or cause to be constructed, a complete plant and incidental structures suitable for the fullest economic development of electrical energy from the water discharged from said reservoir; and

(3) WHEREAS, after full consideration of the advantages of both the Black Canyon and Boulder Canyon dam sites, the Secretary has determined upon Black Canyon as the site of the aforesaid dam, hereinafter styled the Boulder Canyon Dam, and has determined that, the provision for revenues made by this contract, considering all of its provisions, including Article sixteen (16), together with other contracts in accordance with the provisions of the Boulder Canyon Project Act, is adequate in his judgment to insure payment of all expenses of operation and maintenance of the Boulder Canyon Dam and appurtenant works incurred by the United States, and the repayment within fifty (50 years from the date of completion of said works of all amounts advanced to the Colorado River Dam fund under Subdivision (b) of Section (2) of the

Boulder Canyon Project Act, together with interest thereon made reimbursable under said Act; and

(4) WHEREAS, the lessees are desirous severally of entering into contracts of lease of units of a Government built electrical plant, with right to generate electrical energy;

(5) NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to-wit:

CONSTRUCTION BY UNITED STATES

(6) The United States will, at its own cost, construct in the main stream of the Colorado River at Black Canyon, a dam, creating thereby at the date of completion, a storage reservoir having a maximum water surface elevation at about twelve hundred twenty-two (1222) feet above sea level (U. S. Geological Survey datum) of a capacity of about twenty-nine million five hundred thousand (29,500,000) acre-feet. The United States will also construct in connection therewith outlet works, pressure tunnels, penstocks, power plant building, and furnish and install generating, transforming and high voltage switching equipment for the generation of the energy allocated to the various allottees respectively as stated in Article fourteen (14) hereof.

OPERATION AND MAINTENANCE OF DAM

(7) The United States will operate and maintain the dam, reservoir, pressure tunnels, penstocks to but not inclusive of the shut-off valves at the inlets to the turbine casings, and outlet works, and will have full control of all water passing the dam for any and all purposes. The dam and reservoir will be operated and used: First, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of present perfected rights in pursuance of Article VIII of the Colorado River compact; and, third, for power.

INSTALLATION OF MACHINERY

(8) The machinery and equipment for the generation of power will be provided and installed and owned by the United States. The City and the Company shall each notify the Secretary of the Interior, in writing, within two (2) months after receipt of written notice from him that diversion of the Colorado River has been effected for the construction of Boulder Canyon Dam, as to their respective generating requirements in order that the United States may be able to determine the type and initial and maximum ultimate capacity of the generating equipment to be installed in the power plant. Generating units

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and other equipment to be installed by the United States shall be in sufficient number and of sufficient capacity to generate the energy allocated to and taken by the lessees and the various allottees, served by each lessee as stated in Article fourteen (14) hereof, upon the load factors stated by the respective allottees with proper allowance for the combined load factors of all allottees served by each lessee. Each lessee shall give notice to the Secretary of the date at which it requires its generating equipment to be ready for operation, such notice to be given at least three years before said date. If a lesser number of generating units is initially installed, the United States will furnish and install, at a later date or from time to time on like terms, such additional units as with the original installation will generate the energy allocated. The City and the Company shall each cooperate with the United States in the preparation of designs for the power plant, and in the preparation of plans and specifications for the machinery and equipment to be installed in connection therewith and required by each respectively.

Each allottee (including lessees) shall have opportunity to be heard by the Secretary or his representatives upon the design, capacity and cost of machinery before contracts therefor are let.

COMPENSATION FOR USE OF MACHINERY

(9) (a) Compensation for the use, for the periods of lease thereof, of machinery and equipment furnished and installed by the United States, for each lessee respectively, for the generation of electrical energy, equal to the cost thereof, including interest charges at the rate of four per centum (4%) per annum, compounded annually from the date of advances to the Colorado River Dam Fund for the purchase of such equipment and machinery to June first of the year next preceding the year when the initial installment becomes due under this article, shall be paid to the United States by the lessees, severally, in ten (10) equal annual installments, so as to amortize the total cost (including interest as fixed above), and interest thereafter upon such total cost at the rate of four per centum (4%) per annum. The first installment payable by each lessee shall be due on June first next following the date the machinery leased by such lessee is ready for operation and water is available therefor, as announced by the Secretary, and the subsequent nine installments shall be paid on June first of each year thereafter.

(b) No charge shall be made against either lessee on account of cost of, or as compensation for the use of, machinery required to be installed in consequence of execution of a contract for electrical energy by a State pursuant to Article fourteen (14) hereof, unless such machinery is to be used partially for the benefit of such lessee. In such event the charge made by the United States for compensation for the use thereof shall be adjusted between the State and such lessee as they may agree or if they fail to agree then by the Secretary.

LEASE OF POWER PLANT

(10) (a) The United States hereby leases to the City for fifty (50) years from the date at which energy is ready for delivery to the City, as announced by the Secretary, in accordance with Article eleven (11) hereof, such power plant units and corresponding plant facilities and incidental structures as may be necessary to generate the energy allocated to it and energy for those allottees for whom the City is designated the generating agency, together with the right to generate such electrical energy.

(b) The United States hereby leases to the Company such power plant units and corresponding plant facilities and incidental structures as may be necessary to generate the energy allocated to it and energy for those allottees for whom the Company is designated the generating agency, together with the right to generate such electrical energy, for a period beginning with the date at which the first of such power plant units is ready for operation and water is available therefor as announced by the Secretary, and ending at a time fifty (50) years from the date at which energy is ready for delivery to the City as provided in Article eleven (11) (a) hereof.

(c) The machinery and equipment under lease to either lessee shall be operated and maintained by such lessee without interference from or control by the other lessee, but subject nevertheless to the supervisory authority of the Secretary or his representative, under the terms of the lease.

(d) Subject to conditions hereinafter stated, the designation of generating agencies shall be as follows:

Generation of energy allocated to and used by the States of Nevada and Arizona shall be effected by the City.

Generation of energy allocated to the Municipalities, including those contracting under the provisions of the last paragraph of Article fourteen (14), shall be effected by the City.

Generation of energy allocated to the District shall be effected by the City.

Generation of energy allocated to the Companies shall be effected by Southern California Edison Company Ltd.

Nevertheless, the foregoing provisions are subject to the following conditions:

(i) Should it prove of material economic advantage to the District to have a portion of its energy generated as off-peak energy, the City, after generating energy for the District to the full extent of the generating capacity which has been installed at the request of the District, with allowance for the contemplated margin of reserve capacity, shall also generate such additional energy as may be needed by the District and as can be generated off-peak with other generating capacity leased to and being operated by the City at such times as such use does not conflict with the needs of the City and other allottees for whom the City is generating energy. The District will pay for the off-peak use of such other generating capacity together with an allowance for a fair proportion of the operation and maintenance expenses at rates to be agreed upon between the District and the City, and if they are unable to agree, to be determined by the Secretary.

Should the amount of energy which can be obtained by the District, from the generating capacity which has been installed at the request of the District and from other capacity leased to and being operated by the City, be insufficient to satisfy the requirements of the District, then the District may arrange with the Company for generation of such off-peak energy as may be needed by the District at such times and not obtainable from the City, to such an extent as such generation does not conflict with the needs of the Company and other allottees for whom the Company is generating energy. Charge shall be made against the District for such service at the rate to be agreed upon between the District and the Company and if they are unable to agree then at a rate to be determined in accordance with Article thirty-five (35)(a) hereof.

(ii) Disputes and disagreements between any allottee and the lessee generating energy for it, with respect to such generation, and/or the cost thereof, shall be determined by the Secretary unless otherwise specifically provided in this contract.

(iii) Except for off-peak power furnished the District which shall be as provided in Paragraph (i) of this Article, all generation shall be effected at cost as determined in accordance with Article twelve (12) hereof.

ASSUMPTION OF OPERATION OF POWER PLANT

(11) (a) Energy shall be ready for delivery to the City and to the municipalities, including those contracting under the last paragraph of Article fourteen (14), when the Secretary announces that one billion, two hundred fifty million (1,250,000,000) kilowatt-hours of energy per year is ready for delivery.

(b) Energy shall be ready for delivery to the District when the Secretary announces that two billion (2,000,000,000) kilowatt-hours of energy per year is available, which date, however, shall not be sooner than one (1) year after energy is ready for delivery to the City; provided however, that the time when energy is ready for delivery to the District may be advanced, subject to the approval of the Secretary, should the District so request, and that in such case the City shall be compensated by the District for interest and depreciation on and maintenance and operation of its main transmission line in case the total energy available to the City is reduced below one billion two hundred fifty million (1,250,000,000) kilowatt-hours per annum, in the proportion that such kilowatt-hours available to the City is less than one billion two hundred fifty million (1,250,000,000).

(c) Energy shall be ready for delivery to the Company when the Secretary announces that water capable of generating four billion two hundred forty million (4,240,000,000) kilowatt-hours of energy per year is available, which date, however, shall not be sooner than three (3) years after commencement of delivery of energy to the City and which shall not be until the water surface in Boulder Canyon reservoir on August first immediately preceding has reached an elevation of eleven hundred fifty (1150) feet above sea level (U. S. Geological Survey datum); provided, however, that the Secretary may require the Company to assume its obligations to take and/or pay for Boulder Canyon

energy in accordance with the provisions of this contract on the first day of the calendar month next following the date when the Company's system maximum demand in kilowatts is equal to or greater than it was at any time during the twelve month period immediately preceding the date when the City commences to obtain energy from Boulder Canyon power plant. "Maximum demand," as used in the sentence next preceding, shall be defined as the average of the five largest half-hourly peaks during any single month, after deducting therefrom the amount of kilowatts the Company may be temporarily carrying for any purpose other than supplying its own normal load.

(d) Upon written notification from the Secretary that generating equipment is ready for operation by it as provided in sub-paragraphs (a), (b) and (c) respectively of this article, and water is available for generating energy therefrom, each lessee shall assume the operation and maintenance of its respective portion of the power plant, and thereafter such lessee, severally, shall save the United States, its officers, agents and employees harmless as to injury and damage to persons and property which may in any manner arise out of the operation and maintenance of the portion of such plant leased to it.

OPERATION AND MAINTENANCE OF POWER PLANT

(12) The respective portions of the power plant and appurtenant structures shall be operated and maintained by the City and the Company, severally, under the supervision of a Director appointed by the Secretary. The City and the Company shall each be responsible for the operation and maintenance of that part of the power plant operated by it and shall bear the cost thereof as provided in Article sixteen (16). The United States, in accordance with Article ten (10) hereof, will pay each lessee in the form of credits upon the account of such lessee for amounts due the United States under this contract, the cost incurred by it in generating energy for other allottees for whom it is the designated generating agency, and will require such other allottees to repay such cost to the United States. Except as provided in Article ten (10-d-i) hereof as to off-peak power, the term "cost", as used with reference to generating energy for other allottees, shall include a proper proportionate allowance for amortization of the amounts for which the respective lessees are obligated to the United States on account of use of machinery and equipment as provided in Paragraph (a) of Article nine (9) hereof and interest on the respective lessees' prepayments thereof; a proper proportionate part of any annuity set up in accordance with regulations of the Secretary provided for in Subdivision 3 of Article sixteen (16) hereof, and any additional expenditures made by the respective lessees with the approval of the Secretary, for the purpose of meeting the obligation of the lessees to make replacements; and a proper proportionate part of the actual outlay of the lessees for operating such machinery and equipment and keeping the same in repair, including reasonable overhead charges.

The extent of the allowance for the several items and the system of accounting therefor, shall be prescribed by the Secretary under uniform regulations to be promulgated by him in accordance with the Boulder Canyon Project Act. The United States will compensate each lessee for the generation by it of any secondary energy not taken by the District or the lessees but disposed of by the United States, such compensation to cover the pro rata cost thereof as defined in this Article (in proportion to the total kilowatt-hours generated in that month by each lessee), during the time said secondary energy was generated. Such secondary energy will be disposed of by the United States subject only to the prior right thereto of the District and/or the lessees.

The Director, among other powers, shall have authority to enforce rules and regulations promulgated by the Secretary in accordance with the Boulder Canyon Project Act, respecting operation and maintenance of the power plant and appurtenant works and structures, pursuant to Article thirty-three (33) hereof.

Prior to the promulgation of any regulations, or the change or modification of regulations, the Secretary shall give any lessee and any allottee affected thereby, an opportunity to be heard.

KEEPING LEASED PROPERTY IN REPAIR

(13) Except in case of emergency no substantial change in any leased property shall be made by either lessee without first having had and obtained the written consent of the Director or Secretary, and the Secretary's opinion as to whether any change in any leased property is or is not substantial shall be conclusive and binding upon the parties hereto. The lessees, severally, shall promptly make any and all repairs to and replacements of leased property (except those occasioned by Act of God) in the control of each, respectively, which, in the opinion of the Secretary, are deemed necessary for the proper operation and maintenance of leased property. In case of neglect or failure of either lessee to make such repairs, the United States may, at its option, cause such repairs to be made and charge the actual cost thereof, plus fifteen per centum (15%) to cover overhead and general expense, to the lessee having control of such property which amount, together with interest at the rate of four per centum (4%) per annum from the date of the expenditure to the date of payment will be paid to the United States by the lessee responsible for such repairs. The cost to the United States, with overhead and interest as stated above, of making any of the repairs, contemplated by this contract, shall be repaid by the lessee having control of the property so repaired, on June first immediately succeeding the date of completion of such repairs.

ALLOCATION OF ENERGY

(14) The Secretary reserves and as against the lessees may exercise the power in accordance with the provisions of this contract to contract with the

other allottees named in this article for the furnishing of energy to such allottees at transmission voltage in accordance with the allocation to each such allottee and the Secretary is authorized by each lessee to enforce as against it the rights acquired by such other allottees under such contracts. Each lessee severally in accordance with the agency designations made in paragraph (d) of Article ten (10), covenants to generate and furnish energy, at transmission voltage, needed to meet the following requirements of the allottees, (other than lessees) named below, the allocations of firm energy being made in percentages of the total firm energy as defined in Article fifteen (15) hereof, to be delivered to such allottees at said Boulder Dam power plant.

Of Firm Energy

A. To the States of Nevada, for use in Nevada not exceeding eighteen per centum (18%) of said total firm energy.

B. To the State of Arizona, for use in Arizona, not exceeding eighteen per centum (18%) of said total firm energy.

Should either of the States not take its full eighteen per centum (18%) allocation within a period of twenty (20) years hereof, the other may then contract for the energy not so taken up to four per centum (4%) of the total firm energy, provided that the combined amount used by the two states shall not, at any time, exceed thirty-six per centum (36%) of such total firm energy.

C. To the Metropolitan Water District of Southern California so much energy as may be needed and used for pumping Colorado River water into and in its Aqueduct for the use of such District within the following limits:

(1) Not exceeding thirty-six per centum (36%) of said total firm energy, plus

(2) All secondary energy developed at the Boulder Dam power plant as provided in Article seventeen (17) hereof; plus

(3) So much of the firm energy allocated to the States, the City and the Company as may not be in use by them. Energy allocated to the States but not in use by them, shall be released to the District by the two lessees equally (unless they agree upon a different ratio) as follows:

(a) If the District makes a firm contract with the Secretary for the balance of the lease period for part or all of such unused States energy (subject to the first right of the States thereto) such contract shall be made effective upon two years' written notice to the Secretary, and compensation to the lessees, respectively, for main transmission line property rendered idle;

(b) If the District does not so make a firm contract for such energy, then energy allocated to the States but not in use by them, shall be released to the District upon not less than fifteen (15) months' written notice to the Secretary and at such compensation as the District and such lessees, respectively, may agree upon, to cover cost and overhead of replacing energy which otherwise would have been received at the Pacific Coast and of the main transmission lines by the lessee, respectively. Such cost shall include interest on and depreciation and operation and maintenance of the plant capacity while required for the generation of such substitute energy; and also appropriate allowance for interest on and maintenance and depreciation of plant capacity rendered idle because of cessation of generation of such substitute energy until such time as such plant capacity would otherwise have been installed by the lessees, respectively, for their own requirements. If the District and the respective lessees fail to agree on such compensation, such energy shall nevertheless be released to the District, and the disagreement shall be determined in accordance

with Article thirty-five (35) (a) hereof. Such determination shall include allowance for items of cost, and overhead as specified in this paragraph. Pending such determination, energy so released shall be paid for by the District at the rate for firm energy but the determination of compensation under Article thirty-five (35) (a) hereof shall not be controlled by such rate. During any year beginning June first, the District shall not use any secondary energy nor any unused State energy, until it has first used subsequent to June first, next preceding, an amount of firm energy equivalent to one-twelfth of the amount of firm energy it is obligated to take and/or pay for annually multiplied by the number of months elapsed since June first next preceding.

(4) If, due to temporary deficiency in secondary energy regularly used by the District; substitute energy is requested by the District in excess of the energy made available under the foregoing subparagraph (3) (b) the City and/or the Company may release so much energy as may be practicable on the same terms as provided in subsection (3) (b) preceding.

D. To the municipalities of Anaheim, Beverly Hills, Burbank, Colton, Fullerton, Glendale, Newport Beach, Pasadena, Riverside, San Bernardino and Santa Ana, (referred to herein as "the municipalities"), six percentum (6%) in all, to be allocated between them as they may agree; but if no agreement is submitted to the Secretary on or before April 15, 1931, the Secretary shall determine the allocation of each.

E. To the City of Los Angeles, thirteen per centum (13%).

F. To Southern California Edison Company Ltd., the Southern Sierras Power Company, the San Diego Consolidated Gas and Electric Company and the Los Angeles Gas and Electric Corporation, referred to herein as the companies, nine per centum (9%) in all, division whereof between the companies shall be made according to mutual agreement among them, if possible. If no such agreement is submitted to the Secretary on or before April 15, 1931, the Secretary shall determine the allocation of each.

The foregoing allocations are subject to the following conditions:

(i) So much of the energy allocated to the States (thirty-six per centum (36%) of the firm energy) and not in use by them, or failing their use, by the District for the above purposes, shall be taken and paid for one-half by the City and one-half by the Company.

(ii) All of the energy allocated to the municipalities may be contracted for in compliance with regulations of the Secretary, by any one or more of them, as they may agree, on or before April 15, 1931. So much of the energy allocated to the municipalities as is not so contracted for, or if contracted for, not used by them directly or under contract for municipal purposes and/or distribution to their inhabitants shall be taken and paid for by the City.

(iii) So much of the energy allocated to the Southern Sierras Power Company, the San Diego Consolidated Gas and Electric Company, and the Los Angeles Gas and Electric Corporation as is not firmly contracted for by them, severally, in compliance with regulations of the Secretary on or before April 15, 1931, shall be taken and paid for by the Company.

(iv) If any allottee is permitted by the United States to divert water from the reservoir at a time when the reservoir is not spilling; in consequence of which the amount of energy; which would have been utilized is diminished, such diminution shall be debited to the allocation of firm energy herein made to such allottee; and charge for the energy equivalent of such diversion shall be made, and the amount of energy which the allottee shall otherwise be obligated to take and pay for hereunder shall be correspondingly reduced.

The reservoir shall be considered as spilling whenever water is being discharged in excess of the amount used for the generation of power, whether such waste occurs over the spillway or otherwise.

(v) Each of the States of Arizona and Nevada may, from time to time within the period of this lease, contract for energy for use within such State in any amount until the total allocated respectively to each is in use as provided above; and may terminate such contract, or contracts, without prejudice to the right to again contract for such energy. All such contracts shall be executed with the Secretary. A contract requiring one thousand (1000) horsepower (of maximum demand) or less may become effective or be terminated on six months' written notice of requirement or termination given the Director by the State; provided, that the notice given shall be two years if in the twelve months preceding said notice of demand the total increment to such state has exceeded five thousand (5000) horsepower of maximum demand or if in the twelve months preceding said notice of termination the decrement to such state has exceeded five thousand (5000) horsepower of maximum demand. In all such cases the Director shall immediately transmit such notice to each lessee. Whenever the amount in use is in excess of five thousand (5000) horsepower of maximum demand, the lessees respectively shall be compensated for property rendered idle by use of such excess in such amount as the Secretary shall determine to be equitable. Firm energy not contracted for by the States shall be available for use by the District as herein elsewhere provided, and if not in use by the States and/or the District, shall be taken and paid for equally by the two lessees. No right which may be available to a State under section five (5) (c) of the Boulder Canyon Project Act to execute a firm contract for electrical energy for use within the State shall be impaired by any provision of this lease; but if contract thereunder be executed with the Secretary no provision of this lease shall apply for the benefit of such State. If in consequence of execution of such contract the Secretary requires the allocation to either lessee or to an allottee using such lessee's main transmission lines to be diminished, such lessee may terminate its rights and obligations hereunder within two months thereafter on written notice to the Secretary. Provided, further, that the combined allocation of nineteen per centum (19%) as herein made to the city and the municipalities shall not be reduced because of any such firm contract with a state for energy.

Of Secondary Energy

The District shall have the right to purchase and use all secondary energy as provided in Article fifteen (15) and Article seventeen (17) hereof for the purposes stated in the first paragraph of subdivision (c) of this article. The City and the Company shall each have the right to purchase and use one-half of all secondary energy not used by the District. Any such energy not used by one lessee shall be available, for the time being, to the other. If secondary energy is not taken by the City, the District, and/or the Company, then and in such event, the United States reserves the right to take, use and dispose of such energy, from time to time, as it sees fit, giving credit therefor as provided in Article twelve (12) hereof.

Of Firm Energy Allocated to but Not Used by the District

In the event the District shall fail for any reason to use all or any of the firm energy herein allotted to it for the only purpose for which said firm energy is allotted to it, that is, for pumping water into and in its aqueduct, then no disposition shall be made of such firm energy by the Secretary without first giving to a successor to the District which may undertake to build or maintain a Colorado River Aqueduct the opportunity to take said firm energy for the same purpose and under the same terms as those to which the District was obligated.

In the event no such successor takes said firm energy as provided above, then no disposition of such firm energy shall be made by the Secretary without first giving to each lessee the opportunity to contract on equal terms and conditions, to be prescribed by the Secretary, for one-half of such energy, together with such portion of the remainder as the other lessee shall not elect to take.

Of Firm Energy not Disposed of Under the foregoing Allocations

The United States reserves the right, in case the dam which it erects provides a maximum water surface elevation in excess of one thousand two hundred twenty-two (1222) feet above sea level (U.S. Geological Survey datum), and thereby increases the quantity of firm energy above the quantity of four billion two hundred forty million (4,240,000,000) kilowatt-hours allocated above, to dispose of such increase, but not to exceed ninety million (90,000,000) kilowatt-hours per year (June 1st to May 31st, inclusive) to any municipality or municipalities by firm contract executed with the Secretary on or before April 15, 1931. Such disposition shall be without prejudice to any provision of this lease or of the allocation above referred to. So much of such additional energy as is not so contracted for shall be taken and paid for by the City. Generation of such additional energy shall in any event be effected by the City.

FIRM AND SECONDARY ENERGY DEFINED

(15) The amount of firm energy for the first year of operation, (June 1 to May 31, inclusive) following the date of the completion of the dam as announced by the Secretary shall be defined as being four billion two hundred forty million (4,240,000,000) kilowatt-hours at transmission voltage. For every subsequent year the amount defined as firm energy shall be decreased by eight million seven hundred sixty thousand (8,760,000) kilowatt-hours from that of the previous year.

Nevertheless, if it be determined by the Secretary that the rate of decrease of kilowatt-hours per year as above stated, is not in accord with actual conditions, th Secretary reserves the right to fix a lesser rate for any year, (June 1 to May 31, inclusive) in advance.

If, by reason of international obligations arising through treaty or otherwise subsequent to the effective date of this contract, or by reason of interference with the program of construction and/or operation of the dam as provided for and contemplated by this contract, or by reason of other contingencies not now foreseen, the amount of firm energy available through the release of water from the Boulder Canyon reservoir shall in fact be less than the amount of firm energy as above defined, then in any such event the obligation of the lessee to take and/or generate shall be reduced in an amount corresponding to such change. If for any reason the United States shall be wholly unable to fulfill its obligations hereunder in respect of the delivery of water, then the lessees, or either of them, may terminate this contract in so far as it affects such lessees or lessee.

If the dam erected by the United States provides a maximum water surface elevation in excess of twelve hundred twenty-two (1222) feet above sea level (U. S. Geological Survey datum), the United States reserves the right to dis-

pose of additional firm energy thereby made available, not to exceed ninety million (90,000,000) kilowatt-hours per year, subject to pro rata of the eight million seven hundred sixty thousand (8,760,000) kilowatt-hours annual diminution above provided for.

The term "secondary energy" wherever used herein shall mean all electrical energy generated in one year (June 1 to May 31, inclusive) in excess of the amount of firm energy as herein-above defined, available in such year.

The right of the District and/or lessee to take and pay for energy at the rate for secondary energy after discharge of such party's obligation to the United States to pay for energy at the rate for firm energy, shall not be impaired by reason of the fact that another allottee has not discharged its obligation to pay for energy at the rate for firm energy.

SCHEDULE OF RATES

(16) In consideration of this lease, the lessees severally agree:

(1) To pay the United States for the use of falling water for the generation of energy for their own use, respectively, by the equipment leased hereunder (except as otherwise provided in Article Seventeen (17) hereof), as follows:

(a) One and sixty-three hundredths mills ($0.00163) per kilowatt-hour, (delivered at transmission voltage) for firm energy;

(b) One half mill ($0.0005) per kilowatt-hour, (delivered at transmission voltage) for secondary energy;

(2) To compensate the United States for the use of the said leased equipment as herein elsewhere provided; and

(3) To maintain said equipment in first class operating condition, including repairs to and replacements of machinery; provided, however, that, if the expenditures for replacements shall exceed at any time the sum accumulated by the lessees as a depreciation reserve in accordance with rules and regulations prescribed by the Secretary; pursuant to the Boulder Canyon Project Act, less all amounts previously withdrawn for replacements, then the rates aforesaid shall be readjusted as hereinafter provided so as to reimburse the said lessees severally for such excess expenditures within the term of this lease.

At the end of fifteen (15) years from the date of execution of this contract and every ten (10) years thereafter, the above rates of payment for firm and secondary energy shall be readjusted upon demand of any party hereto, either upward or downward as to price, as the Secretary may find to be justified by competitive conditions at distributing points or competitive centers.

The rate for falling water for generation of firm energy which shall be uniform for both lessees provided for by any such readjustment shall be arrived at by deducting from the price of electrical energy justified by competitive conditions at distributing points or competitive centers,—(1) all fixed and operating costs as provided for in this contract of transmission to such points,

—(2) all fixed and operating costs of such portion of the power plant machinery as is to be operated and maintained by the several lessees, including the cost of repairs and replacements, together with such readjustment as to replacements as is provided for in paragraph three (3) in this Article; it being understood that such readjusted rates shall under no circumstances exceed the value of said energy, based upon competitive conditions at distributing points or competitive centers.

In arriving at the respective rates for "firm energy" and "secondary energy" as fixed herein, recognition has been given to the fact that "secondary energy" cannot be relied upon as being at all times available, but is subject to diminution or temporary exhaustion; whereas "firm energy" is the amount of energy agreed upon as being available continuously as required during each year of the contract period. In the re-adjustment of the rate for "secondary energy," account shall be taken of the foregoing factors.

If the lessees severally or either of them shall not obtain a renewal of this contract at the expiration of the contract period as provided in Article twenty-six (26) hereof, equitable adjustment for major replacements of machinery made between the date of the last readjustment of rates as provided for herein and the end of the contract period shall be made at the expiration of the contract.

MINIMUM ANUUAL PAYMENT

(17) The total payments made by each lessee for firm energy available in any year (June 1st to May 31st, inclusive), whether any energy is generated or not, exclusive of its payments for use of machinery, shall be not less than the number of kilowatt-hours of firm energy available to said lessee and which said lessee is obligated to take and/or pay for during said year, multiplied by one and sixty-three hundredths mills ($0.00163), or multiplied by the adjusted rate of payment for firm energy in case the said rate is adjusted as provided in Article sixteen (16) hereof, less credits on account of charges to other allottees, as provided for and referred to in Article twelve (12) hereof. For a fractional year at the beginning or end of the contract period, the minimum annual payment for firm energy shall be proportionately adjusted in the ratio that the number of days water is available for generation of energy in such fractional year bears to three hundred sixty-five (365). Provided, however, that in order to afford a reasonable time for the respective lessees to absorb the energy contracted for, the minimum annual payments by each for the first three (3) years after energy is ready for delivery to such lessees respectively, as announced by the Secretary, shall be as follows, in percentages of the ultimate annual obligation, to take and/or pay for firm energy:

1st Year	55%
2nd Year	70%
3rd Year	85%
4th Year and all subsequent Years	100%

During said absorption period, if the quantity of energy taken in any one year (June 1st to May 31st, inclusive) is in excess of the above percentages of the ultimate obligation during such year to take and/or pay for firm energy, such excess shall be paid for at the rate for secondary energy. Provided, further that the minimum annual payment shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article twenty-one (21) hereof.

MONTHLY PAYMENTS AND PENALTIES

(18) The lessees, severally, shall pay monthly for energy in accordance with the rates established or provided for herein. When energy taken in any month is not in excess of one-twelfth (1/12) of the minimum annual obligation, bill for such month shall be computed at the rate for firm energy in effect when such energy was taken on the basis of the actual amount of energy used during such month. All energy used during any month in excess of one-twelfth (1/12) of the minimum annual obligation shall be paid for at the rate for secondary energy in effect when such energy was taken; provided, however, that the secondary rate shall not apply to any energy taken during any month unless and until an amount of energy equivalent to one-twelfth (1/12) of the minimum annual obligation has been taken for all months beginning with the month of June immediately preceding; provided, however, that the bill for the month of May shall not be less than the difference between the minimum annual payment, as provided in Article seventeen (17) hereof, and the sum of the amounts charged for firm energy during the preceding eleven (11) months. The United States will submit bills to the lessees by the fifth of each month immediately following the month during which the energy is generated, and payments shall be due on the first day of the month immediately succeeding. If such charges (less credit allowances due lessees) are not paid when due, a penalty of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional penalty of one per centum (1%) of the amount unpaid shall be added on the first day of each calendar month thereafter during such delinquency.

NO ENERGY TO BE DELIVERED WITHOUT PAYMENT

(19) After notice by the Secretary to the lessees no electrical energy shall be generated for, or delivered to, any lessee who shall be in arrears for more than twelve (12) months in the payment of any charge and/or penalty due or to become due the United States hereunder. Each lessee shall, upon receipt of written notice from the Secretary that any allottee is in arrears in the payment of any such charge and/or penalty immediately discontinue the generation for or delivery of energy to such allottee until receipt of further notice from said Secretary.

CONTRACT MAY BE TERMINATED IN CASE OF BREACH

(20) In case of the breach by a lessee or the terms and conditions of this agreement to the extent that another allottee is deprived of all or any part of the electrical energy to which it is entitled under the allocation set forth in Article fourteen (14) hereof, the generation of which is to be effected by such lessee, or in case either lessee shall be in arrears for more than twelve (12) months in the payment of any charge and/or penalty due or to become due the United States hereunder, the Secretary reserves the right to immediately enter, take possession of, and operate and maintain at the cost of such lessee, with proper deduction for charges as provided in this contract, due from the party or parties to whom such energy is delivered, so much property leased to such lessee, as may be necessary to deliver energy to such allottee, and thereafter upon two (2) years' written notice to such lessee, to terminate this contract as to such lessee; and upon such termination hereof all leased property shall be returned and delivered up to the United States in as good condition as when received, reasonable wear and damage by the elements excepted, provided, however, that in event of such termination, a lessee shall have the right at any time within ten (10) years from date of first default or breach for which such termination is demanded to become reinstated hereunder by removing all causes which resulted in termination hereof including payment of penalties, if any, and payment to the United States also of any and all loss incurred by it by reason of such termination. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any other provision hereof, or of a subsequent breach of such provision.

INTERRUPTIONS IN DELIVERY OF WATER

(21) The United States will deliver water continuously to each lessee in the quantity, in the manner, and at the times necessary for the generation of the energy which each of said lessees has the right and/or obligation to generate under this contract in accordance with the load requirements of each of said lessees and of allottees for which the respective lessees are generating agencies, excepting only that such delivery shall be regulated so as not to interfere with the necessary use of said Boulder Canyon Dam and Reservoir for river regulation, improvement of navigation, flood control, irrigation, or domestic uses, and the satisfaction of present perfected rights in or to the waters of the Colorado River, or its tributaries, in pursuance of Article VIII of the Colorado River Compact, and this contract is made upon the express condition, and with the express covenant, that the several rights of the lessees to the waters of the Colorado River, or its tributaries, are subject to, and controlled by, the Colorado River Compact. The United States reserves the right temporarily to discontinue or reduce the delivery of water for the generation of energy at any time for the purpose of

maintenance, repairs and/or replacements, or installation of equipment, and for investigations and inspections necessary thereto; provided, however, that the United States shall except in case of emergency give to the lessees reasonable notice in advance of such temporary discontinuance or reduction, and that the United States shall make such inspections and perform such maintenance and repair work after consultation with the lessees at such times and in such manner as will cause the least inconvenience to the lessees, and shall prosecute such work with diligence, and, without unnecessary delay, will resume delivery of water so discontinued or reduced. Should the delivery of water be discontinued or reduced below the amount required, severally, for the normal generation of firm energy for the payment of which said lessee has hereby obligated itself, the total number of hours of such discontinuance or reduction in any year shall be determined by taking the sum of the number of hours during which the delivery of water is totally discontinued, and the product of the number of hours during which the delivery of water is partially reduced and the percentage of said partial reduction below the actual quantity of water required by the lessees, severally, for the normal generation of firm energy. Total or partial reductions in delivery of water which do not reduce the power output below the amount required at the time by such lessee for the normal generation of firm energy, will not be considered in determining the total hours of discontinuance in any year. The minimum annual payment specified in article seventeen (17) hereof shall be reduced by the ratio that the total number of hours of such discontinuance bears to eight thousand seven hundred sixty (8760). In no event shall any liability accrue against the United States, its officers, agents and/or employees, for any damage, direct or indirect, arising on account of drought, hostile diversion, act of God, or of the public enemy, or other similar cause; nevertheless interruptions in delivery of water occasionad by such causes shall be governed as hereinabove provided in this article.

MEASUREMENT OF ENERGY

(22) All energy shall be measured at generator voltage and suitable metering equipment shall be provided and installed by the United States for this purpose. Suitable correction shall be made in the amounts of energy as measured at generator voltage to cover step-up transformer losses and energy required for operation of station auxiliaries, in determining the amounts of energy delivered at transmission voltage as provided in this contract. The said meter equipment shall be maintained by and at the expense of the respective lessees. Meters shall be tested at any reasonable time upon the request of either the United States or a lessee, and in any event they shall be tested at least once each year. If the test discloses that the error of any meter exceeds one per centum (1%), such meter shall be adjusted so that the error does not exceed one-half of one per centum (½%). Meter equipment shall be tested by means of suitable

testing equipment which will be provided by the United States, and which shall be calibrated by the United States Bureau of Standards as often as requested by any party hereto. Meters shall be kept sealed, and the seals shall be broken only in the presence of representatives of both the United States and the lessees respectively and likewise all test of meter equipment shall be conducted only when representatives of both the United States and the respective lessees are present.

RECORD OF ELECTRICAL ENERGY GENERATED

(23) Each lessee shall make full and complete written monthly reports as directed by the Secretary, on forms to be supplied by the United States, of all electrical energy generated by it, and the disposition thereof to allottees. Such reports shall be made and delivered to the Director on the third day of the month immediately succeeding the month in which the electrical energy is generated, and the record and data from which such reports are made shall be accessible to the United States on demand of the Secretary.

INSPECTION BY THE UNITED STATES

(24) The Secretary or his representatives, shall at all times have the right of ingress to and egress from all works of the lessees for the purpose of inspection, repairs and maintenance of works of the United States, and for all other proper purposes. The Secretary or his representatives shall also have free access at all reasonable times to the books and records of the lessees relating to the generation, transmission, and disposal of electrical energy hereunder with the right at any time during office hours to make copies of or from the same.

TRANSMISSION

(25) (a) The City shall operate and maintain at cost, including allowance for necessary overhead expense, the lines required for transmitting all Boulder Canyon power from the power plant to the pumping plants of the District, allocated to and used by the District for pumping water into and in its aqueduct; provided, that in the event it should prove materially to the advantage of the District, at any time during the 50-year period of this several lease, the District may operate and maintain such transmission lines itself; and provide further, that in the event of disagreement or dispute between the District and the City as to such matter, such disagreement shall be determined as provided in Article thirty-five (35) (a) hereof; and if by such determination energy allocated to and used by the District is to be transmitted by the District instead of the City, the Secretary will cause delivery of energy at transmission voltage to be made accordingly.

(b) The City of Los Angeles shall transmit over its main transmission line constructed for carrying Boulder Canyon power all such power allocated to and used by each of the municipalities, severally, and be compensated therefor on the basis of a reasonable share of the cost of construction, operation and maintenance of such line; subject to the understanding that, if on further investigation before April 15, 1932, it shall prove to be materially more economical for any municipality to make a different arrangement respecting transmission of its power, it may do so, provided that the arrangement so made shall not reduce the quantity of energy transmitted by the City below nineteen per centum (19%) of the firm energy generated, and subject to the further understanding that in case of any disagreement over the question of cost of transmission of Boulder Canyon power, such disagreement shall be determined in accordance with Article thirty-five (35) (a) hereof.

(c) The Company shall transmit over its main transmission lines, constructed for carrying Boulder Canyon power, such power, allocated to and used by the Southern Sierras Power Company, the San Diego Consolidated Gas and Electric Company and the Los Angeles Gas and Electric Corporation, as they may desire to have transmitted over such lines, and the Company shall be compensated therefor as may be mutually agreed upon between the Company and the agency whose power is transmitted over the Company's lines. In case of any disagreement over the question of cost of transmission of Boulder Canyon power, such disagreement shall be determined in accordance with Article thirty-five (35) (a) hereof.

DURATION OF CONTRACT

(26) This contract shall become effective as soon as the first Act of Congress appropriating funds for commencement of construction of Boulder Canyon Dam has become law, and as to each lessee shall remain in effect until the expiration of a period of fifty (50) years from the date at which energy is ready for delivery to the City, as announced by the Secretary. The holder of any contract for electrical energy, (including the lessees severally), not in default thereunder, shall be entitled to a renewal thereof upon such terms and conditions as may be authorized or required under the then existing laws and regulations, unless the property of such holder dependent for its usefulness on a continuation of the contract be purchased or acquired and such contractor be compensated for damages to its property, used and useful in the transmission and distribution of such electrical energy and not taken, resulting from the termination of the supply.

TITLE TO REMAIN IN UNITED STATES

(27) As provided by Section six (6) of the Boulder Canyon Project Act, the title to Boulder Canyon Dam, reservoir, plant and incidental works, shall forever remain in the United States.

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ELECTRICAL ENERGY RESERVED FOR UNITED STATES

(28) Each lessee by means of machinery leased hereunder shall furnish to the United States such electrical energy as may be desired at a maximum demand not to exceed five thousand (5000) kilowatts for construction and/or operation and maintenance purposes, and for diversion of water for irrigation and domestic uses, but not for resale to other than officers and employees and construction contractors of the United States, and to other persons in construction or operating camps constructed and/or maintained by the United States. Such power shall be delivered to the United States at the power plant, and shall be measured at the point of delivery by meters furnished and installed by the United States. The United States will pay each lessee for such power, through credit on monthly bills, at cost as provided in Article twelve (12) hereof.

USE OF PUBLIC AND RESERVED LANDS OF THE UNITED STATES

(29) The use is authorized of such public and reserved lands of the United States as may be necessary or convenient for the construction, operation and maintenance of main transmission lines, to transmit electrical energy generated at Boulder Canyon Dam, together with the use of such public and reserved lands of the United States as may be designated by the Secretary, from time to time, for camp sites, residences for employees, warehouses and other uses incident to the operation and maintenance of the power plant and incidental works.

PRIORITY OF CLAIMS OF THE UNITED STATES

(30) Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured.

OTHER CONTRACTS

(31) Execution of this contract by the City, and performance of its obligations and assumptions of its rights hereunder, shall not be deemed in violation of any provision of any contract between the City and Company heretofore executed.

TRANSFER OF INTEREST IN CONTRACT

(32) No voluntary transfer of this contract, or of the rights hereunder, shall be made without the written approval of the Secretary; and any successor or assign of the rights of either lessee, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the conditions of the Boulder Canyon Project Act and also subject to all the provisions and conditions of this contract to the same extent as though such successor or assign were the original lessee hereunder; provided that, a mortgage or trust deed or judicial sales made thereunder shall not be deemed voluntary transfers within the meaning of this article.

RULES AND REGULATIONS

(33) This contract is subject to such rules and regulations conforming to the Boulder Canyon Project Act as the Secretary may from time to time promulgate; provided, however, that no right of either lessee hereunder shall be impaired or obligation of either lessee hereunder shall be extended thereby; and provided further that opportunity for hearing shall be afforded each lessee by the Secretary prior to promulgation thereof.

AGREEMENT SUBJECT TO COLORADO RIVER COMPACT

(34) This contract is made upon the express condition and with the express understanding that all rights hereunder shall be subject to and controlled by the Colorado River Compact, being the compact or agreement signed at Santa Fe, New Mexico, November 24, 1922, pursuant to Act of Congress approved August 19, 1921, entitled "An Act to permit a compact or agreement between the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming respecting the disposition and apportionment of the waters of the Colorado River, and for other purposes," which Compact was approved in Section 13 (a) of the Boulder Canyon Project Act.

DISPUTES AND DISAGREEMENTS

(35) (a) Disputes or disagreements arising under this contract between the lessees or between a lessee and another allottee shall be arbitrated by three arbitrators, but only in case where it is not provided herein that the determination shall be made by the Secretary. Each disputant shall name one arbitrator and these two shall name the third. If either disputant has notified the other that arbitration is demanded and that it has named an arbitrator, and if thereafter the other disputant fails to name an arbitrator for fifteen days, the Secretary, if requested by either disputant, shall name such arbitrator, who shall proceed as though named by the disputant. The two arbitrators so named shall meet within five days after appointment of the second, and name the third. If they fail to do so, the Secretary will, on request by either disputant or arbitrator, name the third. A decision by any two of the three arbitrators shall be binding on the disputants and enforceable by court proceedings or by the Secretary in his discretion. Arbitration as herein provided, or the failure of the arbitrators to render a decision within six months of appointment of the third arbitrator, shall be a condition precedent to suit by either disputant against the other upon the matter in dispute.

(b) Disputes or disagreements between the United States and a lessee or lessees as to the interpretation or performance of the provisions of this contract shall be determined either by arbitration or court proceedings, the Secretary of the Interior being authorized to act for the United States in such proceedings.

Whenever a controversy arises out of this contract, and the disputants agree to submit the matter to arbitration, the lessees, if the matter in dispute affects the rights of both lessees, or if the matter in dispute effects the rights of only one lessee, then such lessee, shall name one arbitrator and the Secretary shall name one arbitrator, and the two arbitrators thus chosen shall elect three other arbitrators, but in the event of their failure to name all or any of the three arbitrators within five (5) days after their first meeting, such arbitrators, not so elected, shall be named by the Senior Judge of the United States Circuit Court of Appeals for the Ninth Circuit. The decision of any three of such arbitrators shall be a valid and binding award of the arbitrators.

CONTINGENT UPON APPROPRIATIONS

(36) This contract is subject to appropriations being made by Congress from year to year of moneys sufficient to do the work provided for herein, and to there being sufficient moneys available in the Colorado River Dam Fund to permit allotments to be made for the performance of such work. No liability shall accrue against the United States, its officers, agents, or employees, by reason of sufficient moneys not being so appropriated nor on account of there not being sufficient moneys in the Colorado River Dam Fund to permit of said allotments. This agreement is also subject to the condition that if Congress fails to appropriate moneys for the commencement of construction work within five (5) years from and after execution hereof, or if for any other reason construction of Boulder Canyon Dam is not commenced within said time and thereafter prosecuted to completion with reasonable diligence, then and in such event any party hereto may terminate its obligations hereunder upon one (1) year's written notice to the other parties hereto.

MODIFICATIONS

(37) Any modification, extension, or waiver by the Secretary of any of the terms, provisions or requirements of this contract for the benefit of any one or more of the allottees (including the lessees) shall not be denied to any other.

MEMBER OF CONGRESS CLAUSE

(83) No Member of or Delegate to Congress or Resident Commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom. Nothing, however, herein contained shall be construed to extend to this contract if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By (S) RAY LYMAN WILBUR,
Secretary of the Interior.

THE CITY OF LOS ANGELES, acting by and through
its Board of Water and Power Commissioners,
By JOHN R. HAYNES, *President.*

Attest:
JAS. P. VROMAN, *Secretary.*

SOUTHERN CALIFORNIA EDISON COMPANY, LTD.
By JOHN B. MILLER, *Chairman.*

Attest:
CLIFTON PETERS, *Secretary.*

RESOLUTION 1188

BE IT RESOLVED, By the Board of Water and Power Commissioners of the City of Los Angeles, that the said Board of Water and Power Commissioners, for and on behalf of, and in the name of the City of Los Angeles, a municipal corporation, enter into a contract for the lease of a portion of the electrical generating units in a power plant to be constructed by the United States under the Boulder Canyon Project Act, at Boulder Canyon Reservoir, together with the right, by means thereof, to generate electrical energy from water to be stored in and discharged from said reservoir, under a proposed form submitted by the Secretary of the Interior, a true copy of which is on file with the Secretary of this Board and is hereby ordered to be spread at length upon the minutes of this meeting, to which said contract the said City and the Southern California Edison Company, a corporation, as several and independent lessees, will be parties, and that the President and Secretary of this Board be, and they hereby are, authorized and directed to execute said contract, in substantially the form submitted by the Secretary of the Interior, a true copy of which is on file with the Secretary of the Interior, a true copy of which is on file with the Secretary of this Board as aforesaid, and in the name of this Board, affix the official seal of the Department of Water and Power thereto and deliver the same to the Secretary of the Interior.

BE IT FURTHER RESOLVED, That a copy of this resolution, together with a true copy of the proposed contract submitted by the Secretary of the Interior and on file with the Secretary of this Board, be forthwith transmitted to the City Council of the City of Los Angeles for approval.

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of a resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles, at its meeting of April 25, 1930.

(Signed) JAS. P. VROMAN, *Secretary.*

[SEAL]

I, JAS. P. VROMAN, Secretary of the Board of Water and Power Commissioners of the City of Los Angeles, do hereby certify that the document annexed hereto, is a full, true and correct copy of the proposed form of contract between the United States, as lessor, and the City of Los Angeles and the Southern California Edison Company, a corporation, as several and independent lessees, submitted by the Secretary of the Interior to the Board of Water and Power Commissioners of the City of Los Angeles, and referred to in that certain resolution duly adopted by said Board of Water and Power Commissioners at a meeting thereof held on the 25th day of April, 1930, authorizing the execution thereof, a true copy of which said resolution is as follows:

BE IT RESOLVED, By the Board of Water and Power Commissioners of the City of Los Angeles, that the said Board of Water and Power Commissioners, for and on behalf of, and in the name of the City of Los Angeles, a municipal corporation, enter into a contract for the lease of a portion of the electrical generating units in a power plant to be constructed by the United States under the Boulder Canyon Project Act, at Boulder Canyon Reservoir, together with the right, by means thereof, to generate electrical energy from water to be stored in and discharged from said reservoir, under a proposed form submitted by the Secretary of the Interior, a true copy of which is on file with the Secretary of this Board and is hereby ordered to be spread at length upon the minutes of this meeting, to which said contract and said City and the Southern California Edison Company, a corporation, as several and independent lessees, will be parties, and that the President and Secretary of this Board be, and they hereby are, authorized and directed to execute said contract, in substantially the form submitted by the Secretary of the Interior, a true copy of which is on file with the Secretary of this Board as aforesaid, and in the name of this Board, affix the official seal of the Department of Water and Power thereto and deliver the same to the Secretary of the Interior.

BE IT FURTHER RESOLVED, That a copy of this resolution, together with a true copy of the proposed contract transmitted by the Secretary of the Interior and on file with the Secretary of this Board, be forthwith transmitted to the City Council of the City of Los Angeles for approval.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Department of Water and Power of the City of Los Angeles this 25th day of April, 1930.

(Signed) JAS. P. VROMAN,
Secretary of the Board of Water and Power Commissioners of the City of Los Angeles.

[SEAL]

I, JAMES P. VROMAN, Secretary of the Board of Water and Power Commissioners of the City of Los Angeles, do hereby certify that at a regular meeting of said Board of Water and Power Commissioners, at which a quorum of said commissioners was present, held at Los Angeles, California, on the 25th day of April, 1930, a resolution was adopted of which the following is a full, true and correct copy:

BE IT RESOLVED, By the Board of Water and Power Commissioners of the City of Los Angeles, that the said Board of Water and Power Commissioners, for and on behalf of, and in the name of the City of Los Angeles, a municipal corporation, enter into a contract for the lease of a portion of the electrical generating units in a power plant to be constructed by the United States under the Boulder Canyon Project Act, at Boulder Canyon Reservoir, together with the right, by means thereof, to generate electrical energy from water to be stored in and discharged from said reservoir, under a proposed form submitted by the Secretary of the Interior, a true copy of which is on file with the Secretary of this Board and is hereby ordered to be spread at length upon the minutes of this meeting, to which said contract the said City and the Southern California Edison Company, a corporation, as several and independent lessees, will be parties, and that the President and Secretary of this Board be, and they hereby are, authorized and directed to execute said contract, in substantially the form submitted by the Secretary of the Interior, a true copy of which is on file with the Secretary of this Board as aforesaid, and in the name of this Board, affix the official seal of the Department of Water and Power thereto and deliver the same to the Secretary of the Interior.

BE IT FURTHER RESOLVED, That a copy of this resolution, together with a true copy of the proposed contract submitted by the Secretary of the Interior and on file with the Secretary of this Board, be forthwith transmitted to the City Council of the City of Los Angeles for approval.

I FURTHER CERTIFY that on the 25th day of April, 1930, the President and Secretary of said Board of Water and Power Commissioners, pursuant to the foregoing resolution, duly executed the form of contract submitted by the Secretary of the Interior referred to in the foregoing resolution, a true copy of which was then and is now on file with the Secretary of said Board of Water and Power Commissioners, in the name of said Board and for and in behalf of the City of Los Angeles and that the official seal of the Department of Water and Power was then and there affixed thereto,

THAT, at the time of the execution of said contract, JOHN R. HAYNES was the duly appointed, qualified and acting President of said Board of Water and Power Commissioners, and that JAMES P. VROMAN was the duly appointed, qualified and acting Secretary of said Board of Water and Power Commissioners, and at the time of the execution of said contract the foregoing resolution was in full force and effect.

IN WITNESS WHEREOF I have hereunto set my hand and affixed the official seal of the Department of Water and Power of the City of Los Angeles this 25th day of April, 1930.

JAS P. VROMAN,
Secretary of the Board of Water and Power Commissioners of the City of Los Angeles.

[SEAL]

RESOLUTION

BE IT RESOLVED, That the resolution of the Board of Water and Power Commissioners hereinafter set forth, and the execution of the proposed form of contract therein referred to and thereby authorized, a certified copy of which is on file with the City Clerk of the City of Los Angeles, be, and the same are hereby, approved, said resolution of said Board of Water and Power Commissioners being as follows, to-wit:

BE IT RESOLVED, By the Board of Water and Power Commissioners of the City of Los Angeles, that the said Board of Water and Power Commissioners, for and on behalf of, and in the name of the City of Los Angeles, a municipal corporation, enter into a contract for the lease of a portion of the electrical generating units in a power plant to be constructed by the United States under the Boulder Canyon Project Act, at Boulder Canyon Reservoir, together with the right, by means thereof, to generate electrical energy from water to be stored in and discharged from said reservoir, under a proposed form submitted by the Secretary of the Interior, a true copy of which is on file with the Secretary of this Board and is hereby ordered to be spread at length upon the minutes of this meeting, to which said contract the said City and the Southern California Edison Company, a corporation, as several and independent lessees, will be parties, and that the President and Secretary of this Board be, and they hereby are, authorized and directed to execute said contract, in substantially the form submitted by the Secretary of the Interior, a true copy of which is on file with the Secretary of this Board as aforesaid, and in the name of this Board, affix the official seal of the Department of Water and Power thereto and deliver the same to the Secretary of the Interior.

BE IT FURTHER RESOLVED, That a copy of this resolution, together with a true copy of the proposed contract submitted by the Secretary of the Interior and on file with the Secretary of this Board, be forthwith transmitted to the City Council of the City of Los Angeles for approval.

I HEREBY CERTIFY, that the foregoing resolution was adopted by the Council of the City of Los Angeles at a regular meeting held April 25, 1930, and that said resolution was adopted by the following vote:

Ayes: Messrs. Burns, Cooke, Henning, Ingram, Jacobson, Lewis, McAllister, Martin, Randall, Webster, Williams, and President Sanborn, (12).

Noes: None.

Absent: Messrs. Barthel, Davis, Holland, (3).

ROBERT DOMINGUEZ, *City Clerk.*

[SEAL]

ORDINANCE NO. 66,446

AN ORDINANCE APPROVING THE EXECUTION OF A CERTAIN CONTRACT BY THE BOARD OF WATER AND POWER COMMISSIONERS FOR THE LEASE OF A PORTION OF THE ELECTRICAL GENERATING UNITS IN A POWER PLANT TO BE CONSTRUCTED BY THE UNITED STATES UNDER THE BOULDER CANYON PROJECT ACT AT BOULDER CANYON RESERVOIR, AND APPROVING THE RESOLUTION ADOPTED BY THE BOARD OF WATER AND POWER COMMISSIONERS ON THE 25TH DAY OF APRIL, 1930, AUTHORIZING THE EXECUTION OF THE SAME.

WHEREAS, the Board of Water and Power Commissioners of the City of Los Angeles did on the 25th day of April, 1930, adopt a certain resolution authorizing the execution of a contract with the United States for the lease of a portion of the electrical generating units to be installed in a power plant to be constructed by the United States under the Boulder Canyon Project Act at Boulder Canyon Reservoir; and,

WHEREAS, a copy of said proposed contract, duly certified by the Secretary of said Board to be a true and correct copy of said proposed contract on file in his office, the execution of which was by said resolution duly authorized, is on file with the City Clerk of the City of Los Angeles;

NOW, THEREFORE, The People of the City of Los Angeles do ordain as follows:

SECTION 1. That the resolution hereinbefore referred to and hereinafter set forth, and the execution of the proposed form of contract therein referred to, a certified copy of which is on file with the City Clerk of the City of Los Angeles, be, and the same are hereby, approved, said resolution of said Board of Water and Power Commissioners being as follows, to-wit:

BE IT RESOLVED, By the Board of Water and Power Commissioners of the City of Los Angeles, that the said Board of Water and Power Commissioners, for and on behalf of, and in the name of the City of Los Angeles, a municipal corporation, enter into a contract for the lease of a portion of the electrical generating units in a power plant to be constructed by the United States under the Boulder Canyon Project

Act, at Boulder Canyon Reservoir, together with the rights, by means thereof, to generate electrical energy from water to be stored in and discharged from said reservoir, under a proposed form submitted by the Secretary of the Interior, a true copy of which is on file with the Secretary of this Board and is hereby ordered to be spread at length upon the minutes of this meeting, to which said contract the said City and the Southern California Edison Company, a corporation, as several and independent lessees, will be parties, and that the President and Secretary of this Board be, and they hereby are, authorized and directed to execute said contract, in substantially the form submitted by the Secretary of the Interior, a true copy of which is on file with the Secretary of this Board as aforesaid, and in the name of this Board, affix the official seal of the Department of Water and Power thereto and deliver the same to the Secretary of the Interior.

BE IT FURTHER RESOLVED, That a copy of this resolution, together with a true copy of the proposed contract submitted by the Secretary of the Interior and on file with the Secretary of this Board, be forthwith transmitted to the City Council or the City of Los Angeles for approval.

SEC. 2. That this ordinance is urgently required for the imediate preservation of the public peace, health and safety, in this, that it is urgently necessary for the City of Los Angeles to make immediate provision for a reliable water supply in addition to that which is now or may be obtained from sources in Inyo and Mono Counties in the State of California, and sufficient to meet the future needs of its rapidly increasing population; that the only possible source of such additional water supply is the Colorado River.

That the United States government proposes, under the Boulder Canyon Project Act, to construct a large storage reservoir in Boulder Canyon on the Colorado River from which the City of Los Angeles can obtain such needed additional water supply; also to construct and equip a power plant below said reservoir for generating electrical energy from the water to be stored in and discharged from said reservoir.

That under the terms of said Boulder Canyon Project Act, before any money can be appropriated for the construction of said dam or power plant, or any construction work done or contracted for, the Secretary of the Interior is required to make provision for revenues by contract for delivery of water for irrigation and domestic purposes from said reservoir and for electrical energy or lease of such power plant and of the right, by means thereof, to generate electrical energy from water discharged from said reservoir, adequate to insure payment of all expenses of operation and maintenance of said works incurred by the United States and repayment, within fifty (50) years from date of completion of said works, of all amounts advanced for the construction thereof with interest.

That the Secretary of the Interior has presented to The Metropolitan Water District of Southern California, of which the City of Los Angeles is a member, a form of proposed contract for the delivery to said District from said reservoir of a supply of water to meet the future needs of such District in supplying its member cities with water for domestic purposes, and said Dis-

trict proposes to enter into such contract with the Secretary of the Interior for that purpose.

That the Secretary of the Interior has also presented to the Board of Water and Power Commissioners of the City of Los Angeles a form of proposed contract for a lease of a portion of the units of said power plant, together with the right, by means thereof, to generate electrical energy from water to be stored in and discharged from said reservoir; that the execution of said lease, together with other similar contracts which the Secretary of the Interior proposes to obtain from other parties, is necessary to enable the Secretary of the Interior to secure the necessary appropriation from the Congress of the United States of the funds required for the construction of said dam and power plant.

That the Congress of the United States is now in session but will shortly adjourn; that unless said proposed contract of lease between said Board of Water and Power Commissioners, acting for and in behalf of the City of Los Angeles, is executed fortwith, the necessary appropriation for said development work cannot be secured at the present session of Congress, all of which will delay the date of the commencement of said development work and the day of actual delivery of water to said Metropolitan Water District for the use and benefit of its member cities, including the City of Los Angeles.

That the total amount of electrical energy which can be generated at the power plants of the City of Los Angeles is and will be insufficient to meet the needs of that portion of the inhabitants of said city requiring, or to require, electrical energy from such plants for purposes of heat, light and power. That it is urgently necessary for the City of Los Angeles to obtain and have available, as soon as practicable, the electrical energy which can be provided under the aforesaid proposed contract presented by the Secretary of the Interior to said Board of Water and Power Commissioners, to supply said city and its inhabitants with electrical energy.

SEC. 3. That all ordinances and parts of ordinances in conflict herewith, be, and the same are hereby, repealed.

SEC. 4. The City Clerk shall certify to the passage of this ordinance by a unanimous vote and cause the same to be published once in THE LOS ANGELES DAILY JOURNAL.

I hereby certify that the foregoing ordinance was passed by the Council of the City of Los Angeles by the unanimous vote of all the members of said Council present, there being not less than twelve members present at its meeting of April 25, 1930.

ROBT. DOMINGUEZ, *City Clerk.*

Approved this 25th day of April, 1930.

JOHN C. PORTER, *Mayor.*

[ITEM 31]

BOULDER CANYON PROJECT

CONTRACT FOR ELECTRICAL ENERGY

THE UNITED STATES

AND

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

APRIL 26, 1930

(11r–647)

(1) THIS CONTRACT, made this 26th day of April, nineteen hundred thirty, pursuant to the Act of Congress approved June 17, 1902 (32 Stat., 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the reclamation law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat., 1057), designated the Boulder Canyon Project Act, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by Ray Lyman Wilbur, Secretary of the Interior, hereinafter styled the Secretary, and THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, a public corporation, organized and existing under and by virtue of the Laws of the State of California, hereinafter styled the District:

WITNESSETH:

EXPLANATORY RECITALS

(2) WHEREAS, for the purpose of controlling the floods, improving navigation and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters for reclamation of public lands and other beneficial uses exclusively within the United States and for the generation of electrical energy, the Secretary, subject to th terms of the Colorado River Compact, is authorized to construct, operate and maintain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon, adequate to create a storage reservoir of a capacity of not less than twenty million acre feet of water; also to construct, equip, operate and maintain at or near said dam, or cause to be constructed, a complete plant and incidental structures suitable for the fullest economic development of electrical energy from the water discharged from said reservoir; and

(3) WHEREAS, after full consideration of the advantages of both the Black Canyon and Boulder Canyon dam sites, the Secretary has determined upon Black Canyon as the site of the aforesaid dam, hereinafter styled the Boulder Canyon Dam, and has determined that the revenues provided for by this contract, together with other contracts in accordance with the provisions of the Boulder Canyon Project Act, are adequate in his judgment to insure payment of all expenses of operation and maintenance of the Boulder Canyon Dam and appurtenant works incurred by the United States, and the repayment within fifty (50) years from the date of completion of said works of all amounts advanced to the Colorado River Dam Fund under Subdivision (b) of Section 2 of the Boulder Canyon Project Act, together with interest thereon made reimbursable under said Act; and

(4) WHEREAS, the United States proposes to enter into an agreement with the City of Los Angeles and Southern California Edison Company Ltd., severally (hereinafter referred to as the lessees) for the lease, and the operation

and maintenance of a Government-built power plant to be constructed at Boulder Canyon Dam, together with the right to generate electrical energy a copy of which said proposed lease is attached hereto marked Exhibit "A", and by this reference made a part hereof, wherein the Secretary has reserved the authority to, and in consideration of the execution thereof is authorized by each of the aforesaid lessees, severally, to contract with the other allottees named in the allocation set forth therein for the furnishing of energy to such allottees at transmission voltage in accordance with the allocation to each allottee, and the Secretary is therein granted by each lessee, severally, the power in accordance with the provisions thereof to enforce as against each lessee the rights to be acquired by such other allottees by contracts to be entered into with the United States; and

(5) WHEREAS, the District is desirous of entering into a contract with the United States providing for the delivery to the District each year from the Boulder Canyon Reservoir up to but not to exceed one million fifty thousand (1,050,000) acre-feet of water, and, in connection therewith and incident thereto, the District is desirous also of entering into a contract for the purchase of electrical energy to be generated at the power plant to be leased, as aforesaid, to the City of Los Angeles (hereinafter referred to as the City) and Southern California Edison Company Ltd., (hereinafter referred to as the Company) to aid in the transportation of such water supply;

(6) NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to-wit:

ALLOCATION OF ELECTRICAL ENERGY

(7) The United States will cause to be delivered to the District under and in pursuance of and subject to the provisions of the aforesaid proposed lease, attached hereto as Exhibit "A", for a period of fifty (50) years from the date at which energy is ready for delivery to the City, as announced by the Secretary, in accordance with the following allocation, to-wit:

Of Firm Energy

A. To the State of Nevada, for use in Nevada, not exceeding eighteen per centum (18%) of said total firm energy.

B. To the State of Arizona, for use in Arizona, not exceeding eighteen per centum (18%) of said total firm energy.

Should either of the States not take its full eighteen per centum (18%) allocation within a period of twenty (20) years hereof, the other may then contract for the energy not so taken up to four per centum (4%) of the total firm energy, provided that the combined amount used by the two states shall not, at any time, exceed thirty-six per centum (36%) of such total firm energy.

C. To the Metropolitan Water District of Southern California so much energy as may be needed and used for pumping Colorado River water into and in its aqueduct for the use of such District within the following limits:

(1) Not exceeding thirty-six per centum (36%) of said total firm energy; plus

(2) All secondary energy developed at the Boulder Dam power plant as provided in Article Fourteen (14) hereof; plus

(3) So much of the firm energy allocated to the States, the City and the Company as may not be in use by them. Energy allocated to the States, but not in use by them, shall be released to the District by the two lessees equally (unless they agree upon a different ratio) as follows:

(a) If the District makes a firm contract with the Secretary for the balance of the lease period for part or all of such unused States energy (subject) to the first right of the States thereto) such contract shall be made effective upon two years' written notice to the Secretary, and compensation to the lessees, respectively, for main transmission line property rendered idle;

(b) If the District does not so make a firm contract for such energy, then energy allocated to the States but not in use by them, shall be released to the District upon not less than fifteen months' written notice to the Secretary and at such compensation as the District and such lessees, respectively, may agree upon, to cover cost and overhead of replacing energy which otherwise would have been received at the Pacific Coast end of the main transmission lines by the lessees, respectively. Such cost shall include interest on and depreciation and operation and maintenance of the plant capacity while required for the generation of such substitute energy; and also appropriate allowance for interest on and maintenance and depreciation of plant capacity rendered idle because of cessation of generation of such substitute energy until such time as such plant capacity would otherwise have been installed by the lessees, respectively, for their own requirements. If the District and the respective lessees fail to agree on such compensation, such energy shall nevertheless be released to the District, and the disagreement shall be determined in accordance with Article twenty-two (22) (a) hereof. Such determination shall include allowance for items of cost and overhead as specified in this paragraph. Pending such determination, energy so released shall be paid for by the District at the rate for firm energy but the determination of compensation under Article twenty-two (22) (a) hereof shall not be controlled by such rate.

During any year beginning June first, the District shall not use any secondary energy or any unused State energy, until it has first used subsequent to June first, next preceding, an amount of firm energy equivalent to one-twelfth of the amount of firm energy it is obligated to take and/or pay for annually multiplied by the number of months elapsed since June first next preceding.

(4) If, due to temporary deficiency in secondary energy regularly used by the District, substitute energy is requested by the District in excess of the energy made available under the foregoing subparagraph (3) (b) the City and/or the Company may release so much energy as may be practicable on the same terms as provided in sub-section (3) (b) preceding.

D. To the municipalities of Anaheim, Beverly Hills, Burbank, Colton, Fullerton, Glendale, Newport Beach, Pasadena, Riverside, San Bernardino and Santa Ana, (referred to herein as "the municipalities"), six per centum (6%) in all, to be allocated between them as they may agree; but if no agreement is submitted to the Secretary on or before April 15, 1931, the Secretary shall determine the allocation of each.

E. To the City of Los Angeles, Thirteen per centum (13%).

F. To Southern California Edison Company Ltd., the Southern Sierras Power Company, the San Diego Consolidated Gas and Electric Company and the Los Angeles Gas and Electric Corporation, referred to herein as the companies, nine per centum (9%) in all, division whereof between the companies shall be made according to mutual agreement among them, if possible. If no such agreement is submitted

to the Secretary on or before April 15, 1931, the Secretary shall determine the allocation of each.

The foregoing allocations are subject to the following conditions:

(i) So much of the energy allocated to the States (thirty-six per centum (36%) of the firm energy) and not in use by them, or failing their use, by the District for the above purposes, shall be taken and paid for one-half by the City and one-half by the Company.

(ii) All of the energy allocated to the municipalities may be contracted for in compliance with regulations of the Secretary, by any one or more of them, as they may agree, on or before April 15, 1931. So much of the energy allocated to the municipalities as is not so contracted for, or if contracted for, not used by them directly or under contract for municipal purposes and/or distribution to their inhabitants, shall be taken and paid for by the City.

(iii) So much of the energy allocated to the Southern Sierras Power Company, the San Diego Consolidated Gas and Electric Company, and the Los Angeles Gas and Electric Corporation as is not firmly contracted for by them, severally, in compliance with regulations of the Secretary on or before April 15, 1931, shall be taken and paid for by the Company.

(iv) If any allottee is permitted by the United States to divert water from the reservoir, at a time when the reservoir is not spilling, in consequence of which the amount of energy which would have been utilized is diminished, such diminution shall be debited to the allocation of firm energy herein made to such allottee; and charge for the energy equivalent of such diversion shall be made, and the amount of energy which the allottee shall otherwise be obligated to take and pay for hereunder shall be correspondingly reduced.

The reservoir shall be considered as spilling whenever water is being discharged in excess of the amount used for the generation of power, whether such waste occurs over the spillway or otherwise.

(v) Each of the States of Arizona and Nevada may, from time to time within the period of the aforesaid lease, contract for energy for use within such State in any amount until the total allocated respectively to each is in use as provided above; and may terminate such contract, or contracts, without prejudice to the right to again contract for such energy. All such contracts shall be executed with the Secretary. A contract requiring one thousand (1000) horsepower (of maximum demand) or less may become effective or be terminated on six months written notice of requirement or termination given the Director by the State; provided, that the notice given shall be two years if in the twelve months preceding said notice of demand the total increment to such state has exceeded five thousand (5000) horsepower of maximum demand or if in the twelve months preceding said notice of termination the decrement to such state has exceeded five thousand (5000) horsepower of maximum demand. In all cases the Director shall immediately transmit such notice to each lessee. Whenever the amount in use is in excess of five thousand (5000) horsepower of maximum demand, the lessees respectively shall be compensated for property rendered idle by use of such excess in such amount as the Secretary shall determine to be equitable. Firm energy not contracted for by the States shall be available for use by the District as herein elsewhere provided, and if not in used by the States and/or the District, shall be taken and paid for equally by the two lessees. No right which may be available to a State under section five 5 (c) of the Boulder Canyon Project Act to execute a firm contract for electrical energy for use within the State shall be impaired by any provision of this contract.

Of Secondary Energy

The District shall have the right to purchase and use all secondary energy as provided in Article nine (9) and Article fourteen (14) hereof for the purposes stated in the first paragraph of subdivision (C) of this Article. The City and the Company shall each have the right to purchase and use one-half of all secondary energy not used by the District. Any such energy not used by one lessee shall be available, for the time being, to the other. If secondary energy is not taken by the District, the City, and/or the Company then and in such event, the United States reserves the right to take, use and dispose of such energy, from time to time, as it sees fit, giving credit therefor as provided in Article twelve (12) of Exhibit "A" hereof.

Of Firm Energy Allocated to but Not Used by the District

In the event the District shall fail for any reason to use all or any of the firm energy herein allotted to it for the only purpose for which said firm energy is allotted to it, that is, for pumping water into and in its aqueduct, then no disposition shall be made of such firm energy by the Secretary without first giving to a successor to the District which may undertake to build or maintain a Colorado River Aqueduct the opportunity to take said firm energy for the same purpose and under the same terms as those to which the District was obligated.

In the event no such successor takes said firm energy as provided above, then no disposition of such firm energy shall be made by the Secretary without first giving to each lessee the opportunity to contract on equal terms and conditions, to be prescribed by the Secretary, for one-half of such energy, together with such portion of the remainder as the other lessee shall not elect to take.

Of Firm Energy Not Disposed of Under the Foregoing Allocations

The United States reserves the right, in case the dam which it erects provides a maximum water surface elevation in excess of one thousand two hundred twenty-two (1222) feet above sea level (U.S. Geological Survey Datum), and thereby increases the quantity of firm energy above the quantity of four billion two hundred forty million (4,240,000,000) kilowatt hours allocated above, to dispose of such increase, but not to exceed ninety million (90,000,000) kilowatt hours per year (June 1st to May 31st, inclusive) to any municipality or municipalities by firm contract executed with the Secretary on or before April 15, 1931. Such disposition shall be without prejudice to any provision of this lease or of the allocation above referred to. So much of such additional energy as is not so contracted for shall be taken and paid for by the City. Generation of such additional energy shall in any event be effected by the City.

INSTALLATION OF MACHINERY

(8) The District shall have opportunity to be heard by the Secretary or his representatives upon the design, capacity and cost of machinery to be provided and installed as stated in Article eight (8) of Exhibit "A" hereof before contracts therefor are let.

FIRM AND SECONDARY ENERGY DEFINED

(9) The amount of firm energy for the first year of operation, (June 1 to May 31, inclusive) following the date of the completion of the dam as an-

nounced by the Secretary shall be defined as being four billion two hundred forty million (4,240,000,000) kilowatt hours at transmission voltage. For every subsequent year the amount defined as firm energy shall be decreased by eight million seven hundred sixty thousand (8,760,000) kilowatt hours from that of the previous year.

Nevertheless, if it be determined by the Secretary that the rate of decrease of kilowatt hours per year as above stated, is not in accord with actual conditions, the Secretary reserves the right to fix a lesser rate for any year (June 1st to May 31st, inclusive) in advance.

If the dam erected by the United States provides a maximum water surface elevation in excess of 1222 feet above sea level (U. S. Geological Survey Datum), the United States reserves the right to dispose of additional firm energy thereby made available, not to exceed ninety million (90,000,000) kilowatt hours per year, subject to pro rata of the eight million seven hundred sixty thousand (8,760,000) kilowatt hours annual diminution above provided for.

The term "secondary energy" wherever used herein shall mean all electrical energy generated in one year (June 1st to May 31st, inclusive) in excess of the amount of firm energy as hereinabove defined, available in such year.

If, by reason of international obligations arising through treaty or otherwise subsequent to the effective date of this contract, or by reason of interference with the program of construction and/or operation of the dam as provided for and contemplated by this contract, or by reason of other contingencies not now foreseen, the amount of firm energy available through the release of water from the Boulder Canyon reservoir shall in fact be less than the amount of firm energy as above defined, then in any such event the obligation of the District to take and pay for its allocation of firm energy shall be reduced in an amount corresponding to such change. If for any reason the United States shall be wholly unable to fulfill its obligations hereunder in respect of the delivery of water, then the District or either of them, may terminate this contract.

The right of the District and/or lessees to take and pay for energy at the rate for secondary energy after discharge of such party's obligation to the United States to pay for energy at the rate for firm energy, shall not be impaired by reason of the fact that another allottee has not discharged its obligation to pay for energy at the rate for firm energy.

GENERATING AGENCIES

(10) In accordance with designation heretofore made by the Secretary, generation of energy allocated to the District shall be effected by the City. Nevertheless this provision is subject to the following conditions:

(i) Should it prove of material economic advantage to the District to have a

portion of its energy generated as off-peak energy, the City, after generating energy for the District to the full extent of the generating capacity which has been installed at the request of the District with allowance for the contemplated margin of reserve capacity, shall also generate such additional energy as may be needed by the District and as can be generated off-peak with other generating capacity leased to and being operated by the City at such times as such use does not conflict with the needs of the City and other allottees for whom the City is generating energy. The District will pay for the off-peak use of such other generating capacity together with an allowance for a fair proportion of the operation and maintenance expenses at rates to be agreed upon between the District and the City and approved by the Secretary and if they are unable to agree then at a rate to be determined by the Secretary. Should the amount of energy which can be obtained by the District, from the generating capacity which has been installed at the request of the District and from other capacity leased to and being operated by the City, be insufficient to satisfy the requirements of the District, then the District may arrange with Southern California Edison Company Ltd. for generation of such off-peak energy as may be needed by the District at such times and not obtainable from the City to such an extent as such generation does not conflict with the needs of the Company and other allottees for whom the Company is generating energy. Charge shall be made against the District for such service at the rate to be agreed upon between the District and the Company and approved by the Secretary and if they are unable to agree then at a rate to be determined in accordance with Article twenty-two (a) hereof.

(ii) Disputes and disagreements between any allottee and the lessee generating energy for it, with respect to such generation, and/or the cost thereof, shall be determined by the Secretary unless otherwise specifically provided in this contract.

(iii) Except for off-peak power furnished the District which shall be as provided in Paragraph (i) of this Article, all generation shall be effected at cost as determined in accordance with Article 12 of Exhibit "A" hereof.

DELIVERY OF ELECTRICAL ENERGY

(11) (a) Energy shall be ready for delivery to the City and to the municipalities including those contracting under the last paragraph of Article seven (7) hereof when the Secretary announces that one billion, two hundred fifty million (1,250,000,000) kilowatt hours of energy per year is ready for delivery.

(b) Energy shall be ready for delivery to the District when the Secretary announces that two billion (2,000,000,000) kilowatt hours of energy per year is available, which date, however, shall not be sooner than one (1) year after energy is ready for delivery to the City, provided, however, that the time when energy is ready for delivery to the District may be advanced subject to the approval of the Secretary, should the District so request, and that in such case the City shall be compensated by the District for interest and depreciation on and maintenance and operation of its main transmission line in case the total energy available to the City is reduced below one billion two hundred fifty million (1,250,000,000) kilowatt hours per annum, in the proportion that such kilowatt hours available to the City is less than one billion two hundred fifty million (1,250,000,000).

(c) Energy shall be ready for delivery to the Company when the Secretary announces that water capable of generating four billion two hundred forty million (4,240,000,000) kilowatt hours of energy per year is available, which date, however, shall not be sooner than three (3) years after commencement of delivery of energy to the City and which shall not be until the water surface in Boulder Canyon Reservoir on August first immediately preceding has reached an elevation of eleven hundred fifty (1150) feet above sea level (U. S. Geological Survey datum).

(d) Upon written notification from the Secretary that generation equipment is ready for operation by it and water is available for generating energy therefrom, each lessee will be required to assume the operation and maintenance of its respective portion of the power plant, and thereafter the District will look to such lessee, severally, and not to the United States for compensation for injury and/or damages of any kind which may in any manner arise out of the operation and maintenance of the portion of such plant leased to it.

CHARGES TO BE PAID THE UNITED STATES

(12) In consideration of this contract, the District agrees:

(1) To pay the United States for the use of falling water for generation of energy for the District, (except as otherwise provided in Article 15 hereof), as follows:

(a) One and sixty-three hundredths mills ($0.00163) per kilowatt hour, (delivered at transmission voltage) for firm energy;

(b) One-half mill ($0.0005) per kilowatt hour, (delivered at transmission voltage) for secondary energy;

(2) To pay the United States, for credit to the lessees, on account of use of the leased equipment as herein elsewhere provided; and

(3) To pay the United States, for credit to the lessees, on account of maintenance of said equipment, including repairs to and replacements of machinery, as herein elsewhere provided.

At the end of fifteen (15) years from the date of execution of this contract and every ten (10) years thereafter, the above rates of payment for firm and secondary energy shall be readjusted upon demand of any party hereto, either upward or downward as to price, as the Secretary may find to be justified by competitive conditions at distributing points or competitive centers.

The rate for falling water for generation of firm energy which shall be uniform for both lessees provided for by any such readjustment shall be arrived at by deducting from the price of electrical energy justified by competitive conditions at distributing points or competitive centers,—(1) all fixed and operating costs of transmission to such points,—(2) all fixed and operating costs of such portion of the power plant machinery as is to be operated and

maintained by the several lessees, including the cost of repairs and replacements, together with such readjustment as to replacements as is provided for in paragraph 3 in this Article; it being understood that such readjusted rates shall under no circumstances exceed the value of said energy, based upon competitive conditions at distributing points or competitive centers.

"In arriving at the respective rates for 'firm energy' and 'secondary energy' as fixed herein, recognition has been given to the fact that 'secondary energy' cannot be relied upon as being at all times available, but is subject to diminution or temporary exhaustion whereas 'firm energy' is the amount of energy agreed upon as being available continuously as required during each year of the contract period. In the readjustment of the rate for 'secondary energy', account shall be taken of the foreing factors."

The charges agreed to be paid by the District to the United States, for credit to the City as generating agency, in this Article, shall be such proportion of the cost incurred by such generating agency as it and the District may agree.

The term "cost", as used with reference to generating energy, shall include a proper proportionate allowance for amortization for the cost of machinery and equipment as provided in Paragraph a of Article 9 of Exhibit A hereof, a proper proportionate part of any annuity set up in accordance with regulations of the Secretary provided for in Subdivision 3 of Article sixteen (16) of Exhibit "A" hereof, for the purpose of meeting the obligation of the City to make replacements; and a proper proportionate part of the actual outlay of the City for operating such machinery and equipment and keeping the same in repair, including reasonable overhead charges. The extent of the allowance for the several items in the event of disagreement between the City and District, and the system of accounting therefor, shall be prescribed by the Secretary under uniform regulations as required by Section 6 of the Boulder Canyon Project Act.

MONTHLY PAYMENTS AND PENALTIES

(13) The District shall pay monthly for energy in accordance with the rates estiblished or provided for herein, and for the generation thereof as provided in Article twelve (12).

When energy taken in any month is not in excess of one-twelfth (1/12) of the minimum annual obligation, bill for such month shall be computed at the rate for firm energy in effect when such energy was taken on the basis of the actual amount of energy used during such month. All energy used during any month in excess of one-twelfth (1/12) of the minimum annual obligation shall be paid for at the rate for secondary energy in effect when such energy was taken; provided, however, that the secondary rate shall not apply to any energy taken during any month unless and until an amount of

energy equivalent to one-twelfth (1/12) of the minimum annual obligation has been taken for all months beginning with the month of June immediately preceding; provided, however, that the bill for the month of May shall not be less than the difference between the minimum annual payment, as provided in Article fourteen (14) hereof, and the sum of the amounts charged for firm energy during the preceding eleven months. The United States will submit bills to the District by the fifth of each month immediately following the month during which the energy is generated, and payments shall be due on the first day of the month immediately succeeding. If such charges are not paid when due, a penalty of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional penalty of one per centum (1%) of the amount unpaid shall be added on the first day of each calendar month thereafter during such delinquency.

The monthly charge for generation of such energy to be credited to the generating agency shall be in such amount as may be determined in accordance with Article twelve (12) hereof.

MINIMUM ANNUAL PAYMENT

(14) The total payments made by the District for firm energy available in any year (June 1st to May 31st, inclusive), whether any energy is taken by it, or not, exclusive of its payments for credit to the generating agency, shall be not less than the number of kilowatt hours of firm energy which the District is obligated to take and/or pay for during said year, multiplied by one and sixty-three hundredths mills ($0.00163), or multiplied by the adjusted rate of payment for firm energy in case the said rate is adjusted as provided in Article twelve (12) hereof. For a fractional year at the beginning or end of the contract period, the minimum annual payment for firm energy shall be proportionately adjusted in the ratio that the number of days water is available for generation of energy in such fractional year bears to three hundred sixty-five (365). Provided, however, that in order to afford a reasonable time for the District to absorb the energy contracted for, the minimum annual payments by it for the first three (3) years after energy is ready for delivery to it, as announced by the Secretary, shall be as follows, in percentages of the ultimate annual obligation, to take and/or pay for firm energy:

	Percent
First year	55
Second year	70
Third year	85
Fourth year and all subsequent years	100

During said absorption period, if the quantity of energy taken in any one year (June 1st to May 31st, inclusive) is in excess of the above percentages of the ultimate obligation during such year to take and/or pay for firm energy, such

excess shall be paid for at the rate for secondary energy. Provided, further that the minimum annual payment shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article sixteen (16) hereof.

The total payments made by the District for generation of such energy, to be credited to the generating agency, shall be determined in accordance with Article twelve (12) hereof.

NO ENERGY TO BE DELIVERED WITHOUT PAYMENT

(15) Unless the written consent of the Secretary be first obtained, no electrical energy shall be generated for, or delivered to, the District if it shall be in arrears for more than twelve (12) months in the payment of any charge and/or penalty due or to become due the United States hereunder, whether for its own use or for credit to the generating agency.

INTERRUPTIONS IN DELIVERY OF WATER

(16) The United States will deliver water continuously to each lessee in the quantity, in the manner, and at the times necessary for the generation of the energy which each of said lessees has the right and/or obligation to generate under this contract in accordance with the load requirements of each of said lessees, and of allottees for which the respective lessees are generating agencies, excepting only that such delivery shall be regulated so as not to interfere with the necessary use of said Boulder Canyon Dam and Reservoir for river regulation, improvement of navigation, flood control, irrigation, or domestic uses, and the satisfaction of present perfected rights in or to the waters of the Colorado River, or its tributaries, in pursuance of Article VIII of the Colorado River Compact, and this contract is made upon the express condition, and with the express covenant, that the rights of the District to the waters of the Colorado River, or its tributaries, are subject to, and controlled by, the Colorado River Compact. The United States reserves the right temporarily to discontinue or reduce the delivery of water for the generation of energy at any time for the purpose of maintenance, repairs, and/or replacements, or installation of equipment, and for investigations and inspections necessary thereto; provided, however, that the United States shall except in case of emergency give to the lessees reasonable notice in advance of such temporary discontinuance or reduction, and that the United States shall make such inspections and perform such maintenance and repair work after consultation with the lessees at such times and in such manner as will cause the least inconvenience to the lessees, and shall prosecute such work with diligence, and, without unnecessary delay, will resume delivery of water so discontinued or reduced. Should the delivery of water be discontinued or reduced below the amount required, severally, for the normal generation of firm energy for

the payment of which said District has hereby obligated itself, the total number of hours of such discontinuance or reduction in any year shall be determined by taking the sum of the number of hours during which the delivery of water is totally discontinued, and the product of the number of hours during which the delivery of water is partially reduced and the percentage of said partial reduction below the actual quantity of water required by the lessees, severally, for the normal generation of firm energy. Total or partial reductions in delivery of water which do not reduce the power output below the amount required at the time by such lessee for the normal generation of firm energy, will not be considered in determining the total hours of discontinuance in any year. The minimum annual payment specified in article fourteen (14) hereof shall be reduced by the ratio that the total number of hours of such discontinuance bears to eight thousand seven hundred sixty (8760). In no event shall any liability accrue against the United States, its officers, agents and/or employees, for any damage, direct or indirect, arising on account of drought, hostile diversion, Act of God, or of the public enemy, or other similar cause; nevertheless interruptions in delivery of water occasioned by such causes shall be governed as hereinabove provided in this article.

MEASUREMENT OF ENERGY

(17) The energy received by the District shall be measured at transmission voltage at the point where the District's transmission lines connect to the switching station at Boulder Canyon dam called the point of delivery, or at the option of the Secretary, the energy received by the District shall be measured at the low voltage side of the substations serving the District, in which event suitable correction shall be made in the amounts of energy as measured to cover all losses between the points of measurement and the point of delivery at transmission voltage at Boulder Canyon dam. Suitable meter equipment satisfactory to the Secretary for measuring the energy received by the District shall be provided and maintained by and at the expense of the District. Meters may be tested at any reasonable time upon the request of either the United States or the District, and in all events they shall be tested at least once each year. If the test discloses that the error of any meter exceeds one per centum (1%) such meter shall be adjusted so that the error does not exceed one half of one per centum (½%). Meter equipment shall be tested by means of suitable testing equipment which will be provided by the United States, and which shall be calibrated by the United States Bureau of Standards as often as requested by either the United States or the District. Meters shall be kept sealed, and the seal shall be broken only in the presence of representatives of both the United States and the District and likewise all tests of meter equipment shall be conducted only when representatives of both the United States and the District are present.

INSPECTION BY THE UNITED STATES

(18) The Secretary or his representatives, shall at all times have the right of ingress to and egress from all works of the District for the purpose of inspection, repairs and maintenance of works of the United States, and for all other proper purposes. The Secretary or his representatives shall also have free access at all reasonable times to the books and records of the District relating to the disposal of electrical energy, with the right at any time during office hours to make copies of or from the same.

TRANSMISSION

(19) (a) The City having, in Article twenty-five (25) of Exhibit A hereof undertaken that it shall operate and maintain at cost, including allowance for necessary overhead expense, the lines required for transmitting all Boulder Canyon power from the power plant to the pumping plants of the District, allocated to and used by the District for pumping water into and in its aqueduct; provided, that in the event it should prove materially to the advantage of the District, at any time during the 50-year period of this lease, the District may operate and maintain such transmission lines itself; and provided further, that in the event of disagreement or dispute between the District and the City as to such matter, such disagreement shall be determined as provided in Article twenty-two (a) (22a) hereof; the Secretary will, if by such determination energy allocated to and used by the District is to be transmitted by the District instead of the City, cause delivery of energy at transmission voltage to be made accordingly.

DURATION OF CONTRACT

(20) This contract shall become effective as soon as the first Act of Congress appropriating funds for commencement of construction of Boulder Canyon Dam has become law, and as to the District shall remain in effect until the expiration of a period of fifty (50) years from the date at which energy is ready for delivery to the City, as determined by the Secretary. The holder of any contract for electrical energy, including the District, not in default thereunder, shall be entitled to a renewal thereof upon such terms and conditions as may be authorized or required under the then existing laws and regulations, unless the property of such holder dependent for its usefulness on a continuation of the contract be purchased or acquired and such contractor be compensated for damages to its property, used and useful in the transmission and distribution of such electrical energy and not taken, resulting from the termination of the supply.

CONTRACT MAY BE TERMINATED IN CASE OF BREACH

(21) If the District shall be in arrears for more than twelve (12) months in the payment of any charge and/or penalty due or to become due to the United States hereunder, and shall not have obtained an extension of time for payment thereof, or, if such extension be obtained, has not made such payment within the time as extended, then the Secretary reserves the right thereafter, and upon two (2) years' written notice to the District, to terminate this contract and dispose of the energy herein allocated as he may see fit; provided, he shall first give opportunity to each lessee to contract on equal and uniform terms and conditions, to be prescribed by the Secretary, for one-half of such energy, together with such portion of the remainder as the other lessee shall not elect to take, and provided further, that such disposition shall be subject to the condition that the District shall have the right at any time within ten (10) years from date of the first of the defaults or breaches for which the contract is terminated, to become reinstated hereunder by payment to the United States of all arrearages and penalties, if any, together with any and all loss incurred by the United States by reason of such termination, and compensation to the contractor or contractors for equipment rendered idle by such reinstatement. In case of disagreement or dispute as to any of the items so to be paid the same shall be determined as provided in article 22 hereof. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any other provisions hereof, or of a subsequent breach of such provision.

DISPUTES AND DISAGREEMENTS

(22) (a) Disputes or disagreements arising under this contract between the District and any lessee or other allottee shall be arbitrated by three arbitrators, except where otherwise provided in this contract. The District shall name one arbitrator, and the other disputant shall name one. These two shall name the third. If either disputant has notified the other that arbitration is demanded and that it has named an arbitrator, and if thereafter the other disputant fails to name an arbitrator for fifteen (15) days, the Secretary, if requested by either disputant, shall name such arbitrator, who shall proceed as though named by the disputant. The two arbitrators so named shall meet within five days after appointment of the second, and name the third. If they fail to do so, the Secretary will, on request by either disputant or arbitrator, name the third. A decision by any two of the three arbitrators shall be binding on the disputants and enforceable by court proceedings or by the Secretary in his discretion. Arbitration as herein provided, or the failure of the arbitrators to render a decision within six months of appointment of the third arbitrator, shall be a condition precedent to suit by either disputant against the other upon the matter in dispute.

(b) Disputes or disagreements between the United States and the District as to the interpretation or performance of the provisions of this contract shall be determined either by arbitration or court proceedings, the Secretary of the Interior being authorized to act for the United States in such proceedings. Whenever a controversy arises out of this contract, and the disputants agree to submit the matter to arbitration, the District shall name one arbitrator and the Secretary shall name one arbitrator, and the two arbitrators thus chosen shall elect three other arbitrators, but in the event of their failure to name all or any of the three arbitrators within five (5) days after their first meeting, such arbitrators, not so elected, shall be named by the Senior Judge of the United States Circuit Court of Appeals for the Ninth Circuit. The decision of any three of such arbitrators shall be a valid and binding award of the arbitrators.

USE OF PUBLIC AND RESERVED LANDS OF THE UNITED STATES

(23) The use is authorized of such public and reserved lands of the United States as may be necessary or convenient for the construction, operation and maintenance of main transmission lines, to transmit electrical energy generated at Boulder Canyon Dam, together with the use of such public and reserved lands of the United States as may be designated by the Secretary, from time to time, for camp sites, residences for employees, warehouses and other uses incident to the operation and maintenance of the power plant and incidental works.

PRIORITY OF CLAIMS OF THE UNITED STATES

(24) Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured.

TRANSFER OF INTEREST IN CONTRACT

(25) No voluntary transfer of this contract, or of the rights hereunder, shall be made without the written approval of the Secretary; and any successor or assign of the rights of the District, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the conditions of the Boulder Canyon Project Act and also subject to all the provisions and conditions of this contract to the same extent as though such successor or assign were the original contractor hereunder; provided that, a mortgage or trust deed or judicial sales made thereunder shall not be deemed voluntary transfers within the meaning of this article.

RULES AND REGULATIONS

(26) This contract is subject to such rules and regulations conforming to the Boulder Canyon Project Act as the Secretary may from time to time promulgate; provided, however, that no right of the District hereunder shall be impaired or obligation of the District hereunder shall be extended thereby; and provided further that opportunity for hearing shall be afforded the District by the Secretary prior to promulgation thereof.

AGREEMENT SUBJECT TO COLORADO RIVER COMPACT

(27) This contract is made upon the express condition and with the express understanding that all rights hereunder shall be subject to and controlled by the Colorado River Compact, being the compact or agreement signed at Santa Fe, New Mexico, November 24, 1922, pursuant to Act of Congress approved August 19, 1921, entitled "An Act to permit a compact or agreement between the States of Arizona, California, Colorado, Nevada, New Mexico, Utah and Wyoming respecting the disposition and apportionment of the waters of the Colorado River, and for other purposes," which Compact was approved in Section 13 (a) of the Boulder Canyon Project Act.

PERFORMANCE BOND

(28) The District shall, upon demand of the Secretary, furnish and keep current for the use and benefit of the United States a performance bond in a penal sum equal to the annual obligation assumed by it hereunder; or, in lieu thereof, deposit security satisfactory to the Secretary conditioned upon the faithful performance of this contract. In case security is deposited, the Secretary may make such disposition of the same as will accomplish the purpose for which submitted.

CONTINGENT UPON APPROPRIATIONS

(29) This contract is subject to appropriations being made by Congress from year to year of moneys sufficient to do the work provided for herein, and to there being sufficient moneys available in the Colorado River Dam Fund to permit allotments to be made for the performance of such work. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient moneys not being so appropriated or on account of there not being sufficient moneys in the Colorado River Dam Fund to permit of said allotments. This agreement is also subject to the condition that if Congress fails to appropriate moneys for the commencement of construction work within five (5) years from and after execution hereof, or if for any other reason construction of Boulder Canyon Dam is not commenced within said

time and thereafter prosecuted to completion with reasonable diligence, then and in such event either party hereto may terminate its obligations hereunder upon one (1) year's written notice to the other party hereto.

TITLE TO REMAIN IN UNITED STATES

(30) As provided by Section six (6) of the Boulder Canyon Project Act, the title to Boulder Canyon Dam, reservoir, plant and incidental works, shall forever remain in the United States.

REMEDIES UNDER CONTRACT NOT EXCLUSIVE

(31) Nothing contained in this contract shall be construed as in any manner abridging, limiting or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have.

MEMBER OF CONGRESS CLAUSE

(32) No Member of or Delegate to Congress or Resident Commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom. Nothing, however, herein contained shall be construed to extend to this contract if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties hereto have cause this contract to be executed the day and year first above written. (Executed in quadruplicate original.)

THE UNITED STATES OF AMERICA,
By RAY LYMAN WILBUR,
Secretary of the Interior.

Approved as to form:
(Signed) W. B. MATHEWS,
General Counsel.

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA,
By W. P. WHITSETT,
Chairman of the Board of Directors.

Attest:
(Signed) S. H. FINLEY,
Secretary of the Board of Directors.

[CORPORATE SEAL]

I, S. H. FINELY, Secretary of the Board of Directors of THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, a public corporation organized under the provisions of Chapter 429, Statutes of California, 1927, and now existing under the provisions of said Chapter 429, as amended by Chapter 796, Statutes of California, 1929, do hereby certify that at a duly called meeting of the Board of Directors of said District, at which a quorum of said directors was present, held at Los Angeles, California, on the 25th day of April, 1930, a resolution was adopted, of which the following is a full, true and correct copy:

"RESOLUTION NO. 39

WHEREAS, the Secreary of the Interior of the United States of America has allocated to The Metropolitan Water District of Southern California certain hydro-electric power to be developed as the result of the construction by said United States of the Boulder Canyon Dam, under and pursuant to the provisions of the Boulder Canyon Project Act; and

WHEREAS, only the said United States can make available to said District such hydro-electric power; and

WHEREAS, it is necessary that said District contract with said United States for such hydroelectric power, under and pursuant to the provisions of the aforesaid Boulder Canyon Project Act; and

WHEREAS, draft of such proposed contract has been presented by the said Secretary of the Interior to the Board of Directors of said District at its meeting held this 25th day of April, 1930, which said draft of proposed contract has been approved by said Board of Directors and ordered filed;

NOW, THEREFORE, BE IT RESOLVED, That The Metropolitan Water District of Southern California shall enter into a contract with the United States of America, acting by and through the Secretary of the Interior, for hydroelectric power to be developed as a result of the construction by said United States of said Boulder Canyon Dam, the said contract so to be entered into by said District to conform in substance to the aforesaid draft presented by the Secretary of the Interior to the Board of Directors of said District, and approved and filed by order of said Board of Directors, under date of April 25, 1930; provided, that said contract before execution by said District shall be approved as to form by the General Counsel; and

BE IT FURTHER RESOLVED, That the Chairman of the Board of Directors be, and he hereby is, authorized and directed to sign and execute said contract on behalf of said District, and that the Secretary of the Board of Directors be, and he hereby is, authorized

and directed to attest the execution of said contract and to affix the corporate seal of said District thereto."

I FURTHER CERTIFY, that on the 26th day of April, 1930, the above resolution was still in full force and effect and that on the said 26th day of April, 1930, W. P. Whitsett was Chairman of the Board of Directors, and S. H. Finley was Secretary of the Board of Directors, of said District, and that the foregoing contract to which this certificate is annexed, conforms in substance to the draft of such contract presented by the Secretary of the Interior to the Board of Directors of said District, and approved and filed, under date of April 25th, 1930, by order of said Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of this District, this 26th day of April, 1930.

S. H. FINLEY,
Secretary of the Board of Directors of the Metropolitan Water District of Southern California.

[CORPORATE SEAL]

[ITEM 32]

BOULDER CANYON PROJECT

SUPPLEMENTAL CONTRACT FOR LEASE OF POWER PRIVILEGE

THE UNITED STATES

AND SEVERALLY

THE CITY OF LOS ANGELES

SOUTHERN CALIFORNIA EDISON COMPANY LTD.

MAY 28, 1930

(11r–646)

(1) THIS SUPPLEMENTAL CONTRACT, made this 28th day of May, nineteen hundred thirty, pursuant to the Act of Congress approved June 17, 1902 (32 Stat., 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the reclamation law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat., 1057), designated the Boulder Canyon Project Act, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by Ray Lyman Wilbur, Secretary of the Interior, here-

inafter styled the Secretary, and, severally, THE CITY OF LOS ANGELES, a municipal corporation, and its Department of Water and Power (said Department acting herein in the name of the City, but as principal in its own behalf as well as in behalf of the City; the term City as used in this contract being deemed to be both the City of Los Angeles and its Department of Water and Power), and SOUTHERN CALIFORNIA EDISON COMPANY, LTD., a private corporation, hereinafter styled the Company, both of said corporations being organized and existing under the laws of the State of California, and hereinafter styled the Lessees:

WITNESSETH:

EXPLANATORY RECITALS

(2) WHEREAS, under date of April 26th, 1930, the parties hereto entered into a contract whereby, among other things, the United States agreed under the terms and conditions therein set forth to construct a dam as therein described in the main stream of the Colorado River at Black Canyon, and agreed also to construct in connection therewith outlet works, pressure tunnels, power plant building, and to furnish and install generating, transforming and high voltage switching equipment for the generation of the electrical energy allocated to the various allottees, respectively, as stated in Article Fourteen (14) thereof; and

(3) WHEREAS, the aforesaid contract provides also, among other things, for the lease to the City and to the Company of power plant units and corresponding plant facilities necessary to generate the energy allocated to them, and energy for those allottees therein named for whom the lessees are designated the generating agency, together with the right to generate such electrical energy; and

(4) WHEREAS, it was the intention that the Department of Water and Power of the City of Los Angeles, as well as the City of Los Angeles, should be firmly bound as principals to said contract of April 26th, 1930; and

(5) WHEREAS, said contract of April 26, 1930, does not by its terms become effective until after the first Act of Congress appropriating funds for commencement of construction of Boulder Canyon Dam has become law; and

(6) WHEREAS, such appropriation has not yet been made and it is desired that the aforesaid contract be clarified by amendment of Articles One (1), Fourteen (14), and Seventeen (17), so as to avoid any uncertainty as to the intent thereof;

(7) NOW, THEREFORE, in consideration of the mutual covenants contained herein and in said contract of April 26, 1930, and in consideration of the United States proceeding with the construction of Boulder Canyon Dam and appurtenant works, the parties hereto mutually covenant and agree as follows, to wit:

(8) Article One (1) of the aforesaid contract of April 26, 1930, is hereby amended so as to read as follows, to wit:

(1) THIS CONTRACT, made this 26th day of April, nineteen hundred thirty, pursuant to the Act of Congress approved June 17, 1902 (32 Stat., 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the reclamation law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat., 1057), designated the Boulder Canyon Project Act, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by Ray Lyman Wilbur, Secretary of the Interior, hereinafter styled the Secretary, and, severally, THE CITY OF LOS ANGELES, a municipal corporation, and its Department of Water and Power (said Department acting herein in the name of the City, but as principal in its own behalf as well as in behalf of the City; the term City as used in this contract being deemed to be both the City of Los Angeles and its Department of Water and Power), and SOUTHERN CALIFORNIA EDISON COMPANY, LTD., a private corporation, hereinafter styled the Company, both of said corporations being organized and existing under the laws of the State of California, and hereinafter styled the Lessees:

ALLOCATION OF ENERGY

(9) Article Fourteen (14) of the aforesaid contract of April 26, 1930, is hereby amended so as to read as follows, to wit:

ALLOCATION OF ENERGY

(14) The Secretary reserves and as against the lessees may exercise the power in accordance with the provisions of this contract to contract with the other allottees named in this article for the furnishing of energy to such allottees at transmission voltage in accordance with the allocation to each such allottee and the Secretary is authorized by each lessee to enforce as against it the rights acquired by such other allottees under such contracts. Each lessee severally in accordance with the agency designations made in paragraph (d) of Article ten (10), covenants to generate and furnish energy, at transmission voltage, needed to meet the following requirements of the allottees, (other than lessees) named below, the allocations of firm energy being made in percentages of the total firm energy as defined in Article Fifteen (15) hereof, to be delivered to such allottees at said Boulder Dam power plant.

Of Firm Energy

A. To the State of Nevada, for use in Nevada, not exceeding eighteen per centum (18%) of said total firm energy.

B. To the State of Arizona, for use in Arizona, not exceeding eighteen per centum (18%) of said total firm energy.

Should either of the States not take its full eighteen per centum (18%) allocation within a period of twenty (20) years hereof, the other may then contract for the energy not so taken up to four per centum (4%) of the total firm energy, provided that the combined amount used by the two states shall not, at any time, exceed thirty-six per centum (36%) of such total firm energy.

C. To the Metropolitan Water District of Southern California for pumping Colorado River water into and in its Aqueduct for the use of such District within the following limits:

(1) Thirty-six per centum (36%) of said total firm energy; plus

(2) All secondary energy developed at the Boulder Dam power plant as provided in Article seventeen (17) hereof; plus

(3) So much of the firm energy allocated to the States, the City and the Company as may not be in use by them. Energy allocated to the States but not in use by them, shall be released to the District by the two lessees equally (unless they agree upon a different ratio) as follows:

(a) If the District makes a firm contract with the Secretary for the balance of the lease period for part or all of such unused States energy (subject to the first right of the States thereto) such contract shall be made effective upon two years' written notice to the Secretary, and compensation to the lessees, respectively, for main transmission line property rendered idle;

(b) If the District does not so make a firm contract for such energy, then energy allocated to the States but not in use by them, shall be released to the District upon not less than fifteen (15) months' written notice to the Secretary and at such compensation as the District and such lessees, respectively, may agree upon, to cover cost and overhead of replacing energy which otherwise would have been received at the Pacific Coast end of the main transmission lines by the Lessees, respectively. Such cost shall include interest on and depreciation and operation and maintenance of the plant capacity while required for the generation of such substitute energy; and also appropriate allowance for interest on and maintenance and depreciation of plant capacity rendered idle because of cessation of generation of such substitute energy until such time as such plant capacity would otherwise have been installed by the lessees, respectively, for their own requirements. If the District and the respective lessees fail to agree on such compensation, such energy shall nevertheless be released to the District, and the disagreement shall be determined in accordance with Article thirty-five (35) (a) hereof. Such determination shall include allowance for items of cost, and overhead as specified in this paragraph. Pending such determination, energy so released shall be paid for by the District at the rate for firm energy but the determination of compensation under Article thirty-five (35) (a) hereof shall not be controlled by such rate. During any year beginning June first, the District shall not use any secondary energy nor any unused State energy, until it has first used subsequent to June first, next preceding, an amount of firm energy equivalent to one-twelfth of the amount of firm energy it is obligated to take and/or pay for annually multiplied by the number of months elapsed since June first next preceding.

(4) If, due to temporary deficiency in secondary energy regularly used by the District; substitute energy is requested by the District in excess of the energy made available under the foregoing subparagraph (3) (b) the City and/or the Company may release so much energy as may be practicable on the same terms as provided in sub-section (3) (b) preceding.

D. To the municipalities of Anaheim, Beverly Hills, Burbank, Colton, Fullerton, Glendale, Newport Beach, Pasadena, Riverside, San Bernardino and Santa Ana (referred to herein as "the municipalities"), six per centum (6%) in all, to be allocated between them as they may agree; but if no agreement is submitted to the Secretary on or before April 15, 1931, the Secretary shall determine the allocation of each.

E. To the City of Los Angeles, thirteen per centum (13%).

F. To Southern California Edison Company Ltd., the Southern Sierras Power Company, the San Diego Consolidated Gas and Electric Company and the Los Angeles Gas and Electric Corporation, referred to herein as the companies, nine per centum (9%) in all, division whereof between the companies shall be made according to mutual agree-

ment among them, if possible. If no such agreement is submitted to the Secretary on or before April 15, 1931, the Secretary shall determine the allocation of each.

It is further agreed that:

(i) So much of the energy allocated to the States (thirty-six per centum (36%) of the firm energy) and not in use by them, or failing their use, by the District for the above purposes, shall be taken and paid for one-half by the City and one-half by the Company.

In addition, all firm energy allocated to the City (thirteen per centum (13%)) shall be taken and paid for by the City.

(ii) All of the energy allocated to the municipalities may be contracted for in compliance with regulations of the Secretary, by any one or more of them, as they may agree, on or before April 15, 1931. So much of the energy allocated to the municipalities as is not so contracted for, or if contracted for, not used by them directly or under contract for municipal purposes and/or distribution to their inhabitants shall be taken and paid for by the City.

(iii) So much of the energy allocated to the Southern Sierras Power Company, the San Diego Consolidated Gas and Electric Company, and the Los Angeles Gas and Electric Corporation as is not firmly contracted for by them, severally, in compliance with regulations of the Secretary on or before April 15, 1931, shall be taken and paid for by the Company.

(iv) If any allottee is permitted by the United States to divert water from the reservoir at a time when the reservoir is not spilling, in consequence of which the amount of energy, which would have been utilized is diminished, such diminution shall be debited to the allocation of firm energy herein made to such allottee; and charge for the energy equivalent of such diversion shall be made, and the amount of energy which the allottee shall otherwise be obligated to take and pay for hereunder shall be correspondingly reduced.

The reservoir shall be considered as spilling whenever water is being discharged in excess of the amount used for the generation of power, whether such waste occurs over the spillway or otherwise.

(v) Each of the States of Arizona and Nevada may, from time to time within the period of this lease, contract for energy for use within such State in any amount until the total allocated respectively to each is in use as provided above; and may terminate such contract, or contracts, without prejudice to the right to again contract for such energy. All such contracts shall be executed with the Secretary. A contract requiring one thousand (1000) horsepower (of maximum demand) or less may become effective or be terminated on six months' written notice of requirement of termination given the Director by the State; provided, that the notice given shall be two years if in the twelve months preceding said notice of demand the total increment to such states has exceeded five thousand (5000) horsepower of maximum demand or if in the twelve months preceding said notice of termination the decrement to such state has exceeded five thousand (5000) horsepower of maximum demand. In all cases the Director shall immediately transmit such notice to each lessee. Whenever the amount in use is in excess of five thousand (5000) horsepower of maximum demand, the lessees respectively shall be compensated for property rendered idle by use of such excess in such amount as the Secretary shall determine to be equitable. Firm energy not contracted for by the States shall be available for use by the District as herein elsewhere provided, and if not in use by the States and/or the District, shall be taken and paid for equally by the two lessees. No right which may be available to a State under section five (5) (c) of the Boulder Canyon Project Act to execute a firm contract for electrical energy for use within the State shall be impaired by any provision of this lease; but if contract thereunder be executed with the Secre-

tary no provision of this lease shall apply for the benefit of such State. If in consequence of execution of such contract the Secretary requires the allocation to either lessee or to an allottee using such lessee's main transmission lines to be diminished, such lessee may terminate its rights and obligations hereunder within two months thereafter on written notice to the Secretary. Provided, further, that the combined allocation of nineteen per centum (19%) as herein made to the city and the municipalities shall not be reduced because of any such firm contract with a state for energy.

Of Secondary Energy

It is further agreed that the District shall have the right to purchase and use all secondary energy as provided in Article Fifteen (15) and Article Seventeen (17) hereof for the purposes stated in the first paragraph of subdivision (c) of this article. The City and the Company shall each have the right to purchase and use one-half of all secondary energy not used by the District. Any such energy not used by one lessee shall be available, for the time being, to the other. If secondary energy is not taken by the City, the District, and/or the Company, then and in such event, the United States reserves the right to take, use and dispose of such energy, from time to time, as it sees fit, giving credit therefor as provided in Article Twelve (12) hereof.

Of Firm Energy Allocated to but Not Used by the District

It is further agreed that in the event the District shall fail for any reason to use all or any of the firm energy herein allotted to it for the only purpose for which said firm energy is allotted to it, that is, for pumping water into and in its aqueduct, then the Secretary shall dispose of such unused energy until required by the District for said purpose, crediting on the District's obligation the proceeds of such disposition as received; provided, however, that no disposition of such firm energy shall be made by the Secretary without first giving to a successor to the District which may undertake to build or maintain a Colorado River Aqueduct the opportunity to take said firm energy for the same purpose and under the same terms as those to which the District was obligated; and provided further that in the event no such successor takes said firm energy as provided above, then no disposition of such firm energy shall be made by the Secretary without first giving to each lessee the opportunity to contract on equal terms and conditions, to be prescribed by the Secretary, for one-half of such energy, together with such portion of the remainder as the other lessee shall not elect to take.

Of Firm Energy not Hereinbefore Disposed of

It is further agreed that the United States reserves the right, in case the dam which it erects provides a maximum water surface elevation in excess of one thousand two hundred twenty-two (1222) feet above sea level (U. S. Geological Survey Datum), and thereby increases the quantity of firm energy above the quantity of four billion two hundred forty million (4,240,000,000) kilowatt-hours allocated above, to dispose of such increase, but not to exceed ninety million (90,000,000) kilowatt-hours per year (June 1st to May 31st, inclusive), to any municipality or municipalities by firm contract executed with the Secretary on or before April 15, 1931. Such disposition shall be without prejudice to any provision of this lease or of the allocation above referred to. So much of such additional energy as is not so contracted for shall be taken and paid for by the City. Generation of such additional energy shall in any event be effected by the City.

MINIMUM ANNUAL PAYMENT

(10) Article Seventeen (17) of the aforesaid contract of April 26, 1930, is hereby amended so as to read as follows, to wit:

MINIMUM ANNUAL PAYMENT

(17) The minimum quantity of firm energy which the City shall take and/or pay for each year (June 1st to May 31st, inclusive), under the terms of this contract and after same is ready for delivery to the City as provided in Subdivision (a) of Article Eleven (11) hereof, shall be thirty-seven per centum (37%) of all firm energy as defined in Article Fifteen (15) hereof for the generation of which the United States makes water available in said year, except as reduced by amounts of firm energy contracted for by others as provided in Article Fourteen (14). In addition, the City agrees to take and pay for, as provided in the last paragraph of Article Fourteen (14) hereof, all firm energy (not to exceed ninety million (90,000,000)) kilowatt-hours per year (June 1st to May 31st, inclusive), made available over and above the firm energy defined in Article Fifteen (15) hereof by the erection of a dam which provides a maximum water surface elevation in excess of one thousand two hundred and twenty-two (1222) feet above sea level (U. S. Geological Survey Data).

The minimum quantity of firm energy which Southern California Edison Company Ltd. shall take and/or pay for each year (June 1st to May 31st, inclusive), under the terms of this contract and after same is ready for delivery to the Company as provided in Subdivision (c) of Article Eleven (11) hereof, shall be twenty-seven per centum (27%) of all firm energy as defined in Article Fifteen (15) hereof for the generation of which the United States makes water available in said year, except as reduced by amounts of firm energy contracted for by others as provided in Article Fourteen (14).

The total payments made by each lessee for firm energy available in any year (June 1st to May 31st, inclusive), whether any energy is generated or not, exclusive of its payments for use of machinery, shall be not less than the number of kilowatt-hours of firm energy available to said lessee and which said lessee is obligated to take and/or pay for during said year, multiplied by one and sixty-three hundredths mills ($0.00163), or multiplied by the adjusted rate of payment for firm energy in case the said rate is adjusted as provided in Article Sixteen (16) hereof, less credits on account of charges to other allottees, as provided for and referred to in Article Twelve (12) hereof. For a fractional year at the beginning or end of the contract period, the minimum annual payment for firm energy shall be proportionately adjusted in the ratio that the number of days water is available for generation of energy in such fractional year bears to three hundred sixty-five (365). Provided, however, that in order to afford a reasonable time for the respective lessees to absorb the energy contracted for, the minimum annual payments by each for the first three (3) years after energy is ready for delivery to such lessees respectively, as announced by the Secretary, as herein elsewhere provided, shall be as follows, in percentages of the ultimate annual obligation, to take and/or pay for firm energy:

	Percent
First year	55
Second year	70
Third year	85
Fourth year and all subsequent years	100

During said absorption period, if the quantity of energy taken in any one year (June 1st to May 31st, inclusive), is in excess of the above percentages of the ultimate obligation during such year to take and/or pay for firm energy, such excess shall be paid for at the rate for secondary energy. Provided, further that the minimum annual payment shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article Twenty-one (21) hereof.

CONTRACT AMENDED ONLY AS SPECIFICALLY PROVIDED

(11) Except as specifically amended hereby the aforesaid contract of April 26th, 1930, shall remain in full force and effect, and said contract amended as herein provided is adopted and reaffirmed by the parties hereto as of the day and year first above written.

MEMBER OF CONGRESS CLAUSE

(12) No Member of or Delegate to Congress or Resident Comissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom. Nothing, however, herein contained shall be construed to extend to this contract if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this supplemental contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By RAY LYMAN WILBUR, *Secretary of the Interior.*

Attest:
NORTHCUTT ELY, *Secretary.*

THE CITY OF LOS ANGELES, acting by and through its Board of Water and Power Commissioners.
By JOHN R. HAYNES, *President.*

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, by the Board of Water and Power Commissioners.
By JOHN R. HAYNES, *President.*

Attest:
JAS. P. VROMAN, *Secretary.*

SOUTHERN CALIFORNIA EDISON COMPANY, LTD.
By JOHN B. MILLER, *Chairman.*

Attest:
CLIFTON PETERS, *Secretary.*

[ITEM 33]

BOULDER CANYON PROJECT

SUPPLEMENTARY CONTRACT FOR ELECTRICAL ENERGY

THE UNITED STATES

AND

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

MAY 31, 1930

(11r–674)

(1) THIS SUPPLEMENTARY CONTRACT, made this 31st day of May, nineteen hundred thirty, pursuant to the Act of Congress approved June 17, 1902 (32 Stat., 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the reclamation law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat., 1057), designated the Boulder Canyon Project Act, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by Ray Lyman Wilbur, Secretary of the Interior, hereinafter styled the Secretary, and THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, a public corporation, organized and existing under and by virtue of the Laws of the State of California, hereinafter styled the District:

WITNESSETH:

(2) WHEREAS, there was executed on the 26th day of April, 1930, a con-

tract between The United States of America and The Metropolitan Water District of Southern California, entitled "Contract for Electrical Energy," which by its terms has not yet become effective; and

(3) WHEREAS, it is the desire of the parties that said contract be clarified by amendment to avoid any uncertainty as to the intent of the parties;

(4) NOW, THEREFORE, in consideration of the mutual covenants contained herein, and in said contract of April 26, 1930, the parties hereto agree as follows, to wit:

(5) That Article Seven (7) of said contract of April 26, 1930, be amended to read as follows:

ALLOCATION OF ELECTRICAL ENERGY

(7) The United States will cause to be delivered to the District under and in pursuance of and subject to the provisions of the aforesaid proposed lease, attached hereto as Exhibit "A," for a period of fifty (50) years from the date at which energy is ready for delivery to the City, as announced by the Secretary, in accordance with the following allocation, to wit:

Of Firm Energy

A. To the State of Nevada, for use in Nevada, not exceeding eighteen per centum (18%) of said total firm energy.

B. To the State of Arizona, for use in Arizona, not exceeding eighteen per centum (18%) of said total firm energy.

Should either of the States not take its full eighteen per centum (18%) allocation within a period of twenty (20) years hereof, the other may then contract for the energy not so taken up to four per centum (4%) of the total firm energy, provided that the combined amount used by the two states shall not, at any time, exceed thirty-six per centum (36%) of such total firm energy.

C. To the Metropolitan Water District of Southern California for pumping Colorado River water into and in its aqueduct for the use of such District within the following limits:

(1) Thirty-six per centum (36%) of said total firm energy, which shall be paid for whether taken or not; plus

(2) All secondary energy developed at the Boulder Dam power plant as provided in Article Fourteen (14) hereof; plus

(3) So much of the firm energy allocated to the States, the City and the Company as may not be in use by them. Energy allocated to the States, but not in use by them, shall be released to the District by the two lessees equally (unless they agree upon a different ratio) as follows:

(a) If the District makes a firm contract with the Secretary for the balance of the lease period for part or all of such unused States energy (subject to the first right of the States thereto) such contract shall be made effective upon two years' written notice to the Secretary, and compensation to the lessees, respectively, for main transmission line property rendered idle;

(b) If the District does not so make a firm contract for such energy, then energy allocated to the States but not in use by them, shall be released to the District upon not less than fifteen months' written notice to the Secretary and at such compensation as the District and such lessees, respectively, may agree upon, to cover cost and overhead of replacing energy which otherwise would have been received at the Pacific Coast end of the main transmission lines by the lessees, respectively,

Such cost shall include interest on and depreciation and operation and maintenance of the plant capacity while required for the generation of such substitute energy; and also appropriate allowance for interest on and maintenance and depreciation of plant capacity rendered idle because of cessation of generation of such substitute energy until such time as such plant capacity would otherwise have been installed by the lessees, respectively, for their own requirements. If the District and the respective lessees fail to agree on such compensation, such energy shall nevertheless be released to the District, and the disagreement shall be determined in accordance with Article twenty-two (22) (a) hereof. Such determination shall include allowance for items of cost and overhead as specified in this paragraph. Pending such determination, energy so released shall be paid for by the District at the rate for firm energy but the determination of compensation under Article twenty-two (22) (a) hereof shall not be controlled by such rate.

During any year beginning June first, the District shall not use any secondary energy or any unused State energy, until it has first used subsequent to June first, next preceding, an amount of firm energy equivalent to one-twelfth of the amount of firm energy it is obligated to take and/or pay for annually multiplied by the number of months elapsed since June first next preceding.

(4) If, due to temporary deficiency in secondary energy regularly used by the District, substitute energy is requested by the District in excess of the energy made available under the foregoing sub-paragraph (3) (b) the City and/or the Company may release so much energy as may be practicable on the same terms as provided in sub-section (3) (b) preceding.

D. To the municipalities of Anaheim, Beverly Hills, Burbank, Colton, Fullerton, Glendale, Newport Beach, Pasadena, Riverside, San Bernardino and Santa Ana (referred to herein as "the municipalities"), six per centum (6%) in all, to be allocated between them as they may agree; but if no agreement is submitted to the Secretary on or before April 15, 1931, the Secretary shall determine the allocation of each.

E. To the City of Los Angeles, Thirteen per centum (13%).

F. To Southern California Edison Company Ltd., the Southern Sierras Power Company, the San Diego Consolidated Gas and Electric Company and the Los Angeles Gas and Electric Corporation, referred to herein as the companies, nine per centum (9%) in all, division whereof between the companies shall be made according to mutual agreement among them, if possible. If no such agreement is submitted to the Secretary on or before April 15, 1931, the Secretary shall determine the allocation of each.

It is further agreed that:

(i) So much of the energy allocated to the States (thirty-six per centum (36%) of the firm energy) and not in use by them, or failing their use, by the District for the above purposes, shall be taken and paid for one-half by the City and one-half by the Company.

In addition, all firm energy allocated to the City (thirteen per centum (13%)) shall be taken and paid for by the City.

(ii) All of the energy allocated to the municipalities may be contracted for in compliance with regulations of the Secretary, by any one or more of them, as they may agree, on or before April 15, 1931. So much of the energy allocated to the municipalities as is not so contracted for, or if contracted for, not used by them directly or under contract for municipal purposes and/or distribution to their inhabitants, shall be taken and paid for by the City.

(iii) So much of the energy allocated to the Southern Sierras Power Company, the San Diego Consolidated Gas and Electric Company, and the Los Angeles Gas and Electric Corporation as is not firmly contracted for by them, severally, in com-

pliance with regulations of the Secretary on or before April 15, 1931, shall be taken and paid for by the Company.

(iv) If any allottee is permitted by the United States to divert water from the reservoir, at a time when the reservoir is not spilling, in consequence of which the amount of energy which would have been utilized is diminished, such diminution shall be debited to the allocation of firm energy herein made to such allottee; and charge for the energy equivalent of such diversion shall be made, and the amount of energy which the allottee shall otherwise be obligated to take and pay for hereunder shall be correspondingly reduced.

The reservoir shall be considered as spilling whenever water is being discharged in excess of the amount used for the generation of power, whether such waste occurs over the spillway or otherwise.

(v) Each of the States of Arizona and Nevada may, from time to time within the period of the aforesaid lease, contract for energy for use within such State in any amount until the total allocated respectively to each is in use as provided above; and may terminate such contract, or contracts, without prejudice to the right to again contract for such energy. All such contracts shall be executed with the Secretary. A contract requiring one thousand (1000) horsepower (of maximum demand) or less may become effective or be terminated on six months written notice of requirement or termination given the Director by the State; provided, that the notice given shall be two years if in the twelve months preceding said notice of demand the total increment to such state has exceeded five thousand (5000) horsepower of maximum demand or if in the twelve months preceding said notice of termination the decrement to such state has exceeded five thousand (5000) horsepower of maximum demand. In all cases the Director shall immediately transmit such notice to each lessee. Whenever the amount in use is in excess of five thousand (5000) horsepower of maximum demand, the lessees respectively shall be compensated for property rendered idle by use of such excess in such amount as the Secretary shall determine to be equitable. Firm energy not contracted for by the States shall be available for use by the District as herein elsewhere provided, and if not in use by the States and/or the District, shall be taken and paid for equally by the two lessees. No right which may be available to a State under section five (5) (c) of the Boulder Canyon Project Act to execute a firm contract for electrical energy for use within the State shall be impaired by any provision of this contract.

Of Secondary Energy

It is further agreed that the District shall have the right to purchase and use all secondary energy as provided in Article nine (9) and Article fourteen (14) hereof for the purposes stated in the first paragraph of sub-division (C) of this Article. The City and the Company shall each have the right to purchase and use one-half of all secondary energy not used by the District. Any such energy not used by one lessee shall be available, for the time being, to the other. If secondary energy is not taken by the District, the City, and/or the Company then and in such event, the United States reserves the right to take, use and dispose of such energy, from time to time, as it sees fit, giving credit therefor as provided in Article twelve (12) of Exhibit "A" hereof.

Of Firm Energy Allocated to but not Used by the District

It is further agreed that in the event the District shall fail for any reason to use all or any of the firm energy herein allotted to it for the only purpose for which said firm energy is allotted to it, that is, for pumping water into and in its aqueduct, then the Secretary shall dispose of such unused energy until required by the District for said purpose, crediting on the District's obligation the proceeds of such disposition as received; provided, however, that no disposition of such firm energy shall be made by

the Secretary without first giving to a successor to the District which may undertake to build or maintain a Colorado River Aqueduct the opportunity to take said firm energy for the same purpose and under the same terms as those to which the District was obligated; and provided further that in the event no such successor takes said firm energy as provided above, then no disposition of such firm energy shall be made by the Secretary without first giving to each lessee the opportunity to contract on equal terms and conditions, to be prescribed by the Secretary, for one-half of such energy, together with such portion of the remainder as the other lessee shall not elect to take.

Of Firm Energy not Hereinbefore Disposed of

It is further agreed that the United States reserves the right, in case the dam which it erects provides a maximum water surface elevation in excess of one thousand two hundred twenty-two (1222) feet above sea level (U. S. Geological Survey Datum), and thereby increases the quantity of firm energy above the quantity of four billion two hundred forty million (4,240,000,000) kilowatt-hours allocated above, to dispose of such increase, but not to exceed ninety million (90,000,000) kilowatt-hours per year (June 1st to May 31st, inclusive), to any municipality or municipalities by firm contract executed with the Secretary on or before April 15, 1931. Such disposition shall be without prejudice to any provision of this lease or of the allocation above referred to. So much of such additional energy as is not so contracted for shall be taken and paid for by the City. Generation of such additional energy shall in any event be effected by the City.

(6) That Article Fourteen (14) of said contract of April 26, 1930, be amended to read as follows:

"MINIMUM ANNUAL PAYMENT

(14) The minimum quantity of firm energy which the District shall take and/or pay for each year (June 1st to May 31st, inclusive), under the terms of this contract, and after the same is ready for delivery to the District, as provided in subdivision (b) of Article Eleven (11) hereof, shall be thirty-six per centum (36%) of all firm energy as defined in Article Nine (9) hereof, available in said year. The total payments made by the District for firm energy available in any year (June 1st to May 31st, inclusive), whether any energy is taken by it, or not, exclusive of its payments for credit to the generating agency, shall be not less than the number of kilowatt-hours of firm energy which the District is obligated to take and/or pay for during said year, multiplied by one and sixty-three hundredths mills ($0.00163), or multiplied by the adjusted rate of payment for firm energy in case the said rate is adjusted as provided in Article Twelve (12) hereof. For a fractional year at the beginning or end of the contract period, the minimum annual payment for firm energy shall be proportionately adjusted in the ratio that the number of days water is available for generation of energy in such fractional year bears to three hundred sixty-five (365). Provided, however, that in order to afford a reasonable time for the District to absorb the energy contracted for, the minimum annual payments by it for the first three (3) years after energy is ready for delivery to it, as announced by the Secretary, as herein elsewhere provided, shall be as follows, in percentages of the ultimate annual obligation, to take and/or pay for firm energy:

	Percent
First year	55
Second year	70
Third year	85
Fourth year and all subsequent years	100

During said absorption period, if the quantity of energy taken in any one year (June 1st to May 31st, inclusive), is in excess of the above percentages of the ultimate obligation during such year to take and/or pay for firm energy, such excess shall be paid for at the rate for secondary energy. Provided, further that the minimum annual payment shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article Sixteen (16) hereof.

The total payments made by the District for generation of such energy, to be credited to the generating agency, shall be determined in accordance with Article Twelve (12) hereof."

(7) That Exhibit "A" attached to and made a part of said contract of April 26, 1930, which said Exhibit is entitled "Contract for Lease of Power Privilege," between The United States of America, The City of Los Angeles, and Southern California Edison Company, Ltd., be amended to accord with amendment thereof effected by the parties thereto by a supplemental contract dated the 28th day of May, 1930. Copy of said supplemental contract is attached hereto marked Exhibit "B" and by this reference made a part hereof.

(8) The other Articles of said contract executed April 26, 1930, shall remain unchanged hereby (that is, Articles One (1) to Thirty-two (32), inclusive, save Articles Seven (7) and Fourteen (14), and said contract amended as hereinabove provided is adopted and reaffirmed by the parties hereto as of the day and year first above written.

(9) No member of or Delegate to Congress or Resident Commissioned, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom. Nothing, however, herein contained shall be construed to extend to this contract if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By RAY LYMAN WILBUR,
Secretary of the Interior.

Approved as to form:
By CHAS. G. COOPER, JR.,
Asst. General Counsel.

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA,
By FRANKLIN THOMAS,
Vice Chairman of the Board of Directors.

Attest:
S. H. FINLEY,
Secretary of the Board of Directors.

[SEAL]

[ITEM 34]

BOULDER CANYON PROJECT

SUPPLEMENTAL CONTRACT FOR LEASE OF POWER PRIVILEGE

THE UNITED STATES

AND SEVERALLY

THE CITY OF LOS ANGELES

SOUTHERN CALIFORNIA EDISON COMPANY, LTD.

SEPTEMBER 23, 1931

(11r–646)

(1) THIS SUPPLEMENTAL CONTRACT, made this twenty-third day of September, nineteen hundred thirty-one, pursuant to the Act of Congress approved June 17, 1902 (32 Stat., 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the reclamation law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat., 1057), designated the Boulder Canyon Project Act, between the UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by Ray Lyman Wilbur, Secretary of the Interior, hereinafter styled the Secretary, and, severally, THE CITY OF LOS ANGELES, a municipal

corporation, and its Department of Water and Power (said Department acting herein in the name of the City, but as principal in its own behalf as well as in behalf of the City; the term City as used in this contract being deemed to be both the City of Los Angeles and its Department of Water and Power), and SOUTHERN CALIFORNIA EDISON COMPANY, LTD., a private corporation, hereinafter styled the Company, both of said corporations being organized and existing under the laws of the State of California, and hereinafter styled the Lessees:

WITNESSETH:

EXPLANATORY RECITALS

(2) WHEREAS, under date of April 26, 1930, the parties hereto entered into a contract whereby, among other things, the United States agreed under the terms and conditions therein set forth to construct a dam as therein described in the main stream of the Colorado River at Black Canyon, and agreed also to construct in connection therewith outlet works, pressure tunnels, power plant building, and to furnish and install generating, transforming and high voltage switching equipment for the generation of the electrical energy allocated to the various allottees, respectively, as stated in article fourteen (14) thereof, which said agreement was amended in certain respects by supplmental contract of date May 28, 1930; and

(3) WHEREAS, the said contract of April 26, 1930, amended as aforesaid, provides also, among other things, for the lease to the City and to the Company of power plant units and corresponding plant facilities necessary to generate the energy allocated to them, and energy for those allottees therein named for whom the lessees are designated the generating agency, together with the right to generate such electrical energy; and

(4) WHEREAS, the Secretary has been requested to further amend the said contract of April 26, 1930, amended as aforesaid, in certain respects, and particularly so in respect of the time within which the allottees mentioned in article fourteen (14) thereof shall be required to contract for the purchase of electrical energy allotted to them;

(5) NOW, THEREFORE, in consideration of the covenants contained herein and in said contract of April 26, 1930, amended as aforesaid, the parties hereto mutually covenant and agree as follows, to wit:

COMPENSATION FOR USE OF MACHINERY

(6) Article nine (a) (9-a) of the said contract of April 26th, 1930, amended as aforesaid, is hereby amended so as to read as follows, to wit:

(9) (a) Compensation for the use, for the periods of lease thereof, of machinery and equipment furnished and installed by the United States, for each Lessee respectively, for the generation of electrical energy, equal to the cost thereof, including interest

charges at the rate of four per centum (4%) per annum, compounded annually from the date of advances to the Colorado River Dam Fund for the purchase of such equipment and machinery to June first of the year next preceding the year when the initial instalment becomes due under this article, shall be paid to the United States by the lessees, severally, in ten (10) equal annual instalments, so as to amortize the total cost (including interest as fixed above), and interest thereafter upon the unpaid balance of such total cost at the rate of four per centum (4%) per annum. The first instalment payable by each lessee shall be due on June first next following the date the machinery leased by such lessee is ready for operation and water is available therefor, as announced by the Secretary, and the subsequent nine (9) instalments shall be paid on June first of each year thereafter.

ALLOCATION OF ENERGY

(7) (a) Subdivision D of article fourteen (14) of the aforesaid contract of April 26th, 1930, amended as aforesaid, is hereby amended so as to read as follows, to wit:

D. To the municipalities of Anaheim, Beverly Hills, Burbank, Colton, Fullerton, Glendale, Newport Beach, Pasadena, Riverside, San Bernardino and Santa Ana (referred to herein as "the municipalities"), six per centum (6%) in all, to be allocated between them as they may agree; but if no agreement is submitted to the Secretary on or before November 16, 1931, the Secretary shall determine the allocation of each.

(b) Subdivision F of said article fourteen (14), is hereby amended so as to read as follows, to wit:

F. To Southern California Edison Company Ltd., The Southern Sierras Power Company, the San Diego Consolidated Gas and Electric Company and the Los Angeles Gas and Electric Corporation, referred to herein as the companies, nine per centum (9%) in all, division whereof between the companies shall be made according to mutual agreement among them, if possible. If no such agreement is submitted to the Secretary on or before November 16, 1931, the Secretary shall determine the allocation of each.

(c) Subdivision F (ii) of said article fourteen (14), is hereby amended so as to read as follows, to wit:

(ii) All of the energy allocated to the municipalities may be contracted for in compliance with regulations of the Secretary, by any one or more of them, as they may agree, on or before November 16, 1931. So much of the energy allocated to the municipalities as is not so contracted for, or if contracted for, not used by them directly or under contract for municipal purposes and/or distribution to their inhabitants, shall be taken and paid for by the City.

(d) Subdivision F (iii) of said article fourteen (14), is hereby amended so as to read as follows, to wit:

(iii) So much of the energy allocated to The Southern Sierras Power Company, the San Diego Consolidated Gas and Electric Company, and the Los Angeles Gas and Electric Corporation as is not firmly contracted for by them, severally, in compliance with regulations of the Secretary on or before November 16, 1931, shall be taken and paid for by the Company.

(e) The subdivision of said article fourteen (14) entitled "*Of Firm Energy not Hereinbefore Disposed of,*" is hereby amended so as to read as follows, to wit:

> It is further agreed that the United States reserves the right, in case the dam which it erects provides a maximum water surface elevation in excess of one thousand two hundred twenty-two (1222) feet above sea level (U. S. Geological Survey datum), and thereby increases the quantity of firm energy above the quantity of four billion two hundred forty million (4,240,000,000) kilowatt-hours allocated above, to dispose of such increase, but not to exceed ninety million (90,000,000) kilowatt-hours per year (June 1st to May 31st, inclusive), to any municipality or municipalities by firm contract executed with the Secretary on or before November 16, 1931. Such disposition shall be without prejudice to any provision of this lease or of the allocation above referred to. So much of such additional energy as is not so contracted for shall be taken and paid for by the City. Generation of such additional energy shall in any event be effected by the City.

CONTRACT AMENDED ONLY AS SPECIFICALLY PROVIDED

(8) Except as specifically amended hereby the said contract of April 26th, 1930, amended as aforesaid, shall remain in full force and effect.

MEMBER OF CONGRESS CLAUSE

(9) No Member of or Delegate to Congress or Resident Commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom. Nothing, however, herein contained shall be construed to extend to this contract if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties hereto have cause this supplemental contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By (S) RAY LYMAN WILBUR,
Secretary of the Interior.

THE CITY OF LOS ANGELES, acting by and through its Board of Water and Power Commissioners.
By ARTHUR STRASBURGER, *President.*

Attest:
JAS. P. VROMAN, *Secretary.*

Approved as form this
23rd day of Sept., 1931.
ERWIN P. WERNER, *City Attorney.*
By W. TURNEY FOX, *Assistant*

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, by the Board of Water and Power Commissioners.

By ARTHUR STRASBURGER, *President.*

Attest:

JAS. P. VROMAN, *Secretary.*

SOUTHERN CALIFORNIA EDISON COMPANY, LTD.

By (S) JOHN B. MILLER, *Chairman.*

Attest:

(S) CLIFTON PETERS, *Secretary.*

Approved:

E. F. SCATTERGOOD,
Chief Elec. Engr.

Approved:

H. A. VAN NORMAN,
General Manager and Chief Engineer,
Department of Water & Power.

[ITEM 35]

BOULDER CANYON PROJECT

CONTRACT FOR GENERATION AND TRANSMISSION OF POWER

THE CITY OF LOS ANGELES

AND

THE CITY OF BURBANK

SEPTEMBER 24, 1931

(1) THIS CONTRACT, made this twenty-fourth day of September, nineteen hundred thirty-one, between the CITY OF LOS ANGELES, a municipal corpora-

tion, and DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, acting for this purpose by its Board of Water and Power Commissioners, hereinafter styled the City, and the CITY OF BURBANK, hereinafter styled the Municipality.

WITNESSETH:

EXPLANATORY RECITALS

(2) WHEREAS, for the purpose of controlling the floods, improving navigation and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters for reclamation of public lands and other beneficial uses exclusively within the United States, and for the generation of electrical energy, the Secretary of the Interior of the United States is authorized to construct, operate and maintain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon, adequate to create a storage reservoir of a capacity of not less than twenty-million acre-feet of water; also to construct, equip, operate and maintain at or near said dam, or cause to be constructed, a complete plant and incidental structures suitable for the fullest economic development of electrical energy from the water discharged from said reservoir; and

(3) WHEREAS, after full consideration of the advantages of both the Black Canyon and Boulder Canyon dam sites, the Secretary of the Interior has determined upon Black Canyon as the site of the aforesaid dam, hereinafter styled the Hoover Dam, and has determined that the provision for revenues made by contracts in accordance with the provisions of the Boulder Canyon Project Act is adequate in his judgment to insure payment of all expenses of operation and maintenance of the Hoover Dam and appurtenant works incurred by the United States, and the repayment within fifty (50) years from the date of completion of said works of all amounts advanced to the Colorado River Dam Fund under Subdivision (b) of Section (2) of the Boulder Canyon Project Act, together with interest thereon made reimbursable under said Act; and

(4) WHEREAS, the United States has entered into an agreement with the City of date April 26, 1930, and supplemental agreements of date May 28, 1930, and September 23, 1931, respectively, for the lease and the operation and maintenance of a government-built power plant to be constructed at Hoover Dam, together with the right and obligation on the part of the City, except as in said agreement otherwise provided, to act as the generating and transmission agency in the generation and transmission of all energy contracted for by the Municipality and other municipalities referred to in said agreement; and

(5) WHEREAS, in said agreements the Secretary of the Interior reserved the authority to, and in consideration of the execution thereof was authorized by the City to contract with the Municipality for the furnishing of energy to the

Municipality at transmission voltage, in the amount contracted for by the Municipality, and in accordance therewith the Secretary of the Interior has caused to be prepared and to be submitted to said Municipality for execution, a contract providing among other things for the purchase of electrical energy to be generated at the power plant to be provided for by the Government, and operated by the City as the generating agency in accordance with the provisions of the agreement and supplemental agreements heretofore referred to in Section (4) hereof; and

(6) WHEREAS, the parties hereto are desirous of entering into this agreement for the generation and transmission of the energy contracted for by the Municipality to be generated at said Government-built power plant;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to-wit:

GENERATION

(7) Subject to all of the covenants, terms and conditions set forth in the agreement dated April 26, 1930, and the supplemental agreements dated May 28, 1930, and September 23, 1931, respectively, hereinbefore referred to in Section (4) hereof (copies of which are attached hereto, marked Exhibit "A," and by this reference made a part hereof), the City will assume the operation of that portion of the power plant set apart to it under said agreement and supplemental agreements, and will generate the energy contracted for by the Municipality in accordance with the provisions of said agreement and supplemental agreements; and the Municipality hereby agrees to pay to the United States, in the manner and in accordance with the terms and conditions of said agreement and supplemental agreements for credit of the City, the cost incurred by the City in generating energy for the Municipality; and it is agreed that the term "cost" as used with reference to generating energy for the Municipality shall include a proper proportionate allowance for amortization of the amounts for which the City is obligated to the United States on account of the use of machinery and equipment, together with a proper proportionate share of the interest on said amounts which the City is obligated to pay the United States, and interest on the City's prepayments of portions thereof, if any, it being understood that said proper proportionate allowance for amortization shall be paid by the Municipality in ten (10) equal annual installments in a similar manner and at such dates as the City is obligated to make payments for the same by the terms of its agreement and supplemental agreements with the United States; a proper proportion to part of any annuity set-up in accordance with the regulations of the Secretary of the Interior, and any additional expenditures made by the City with the approval of the Secretary for the purpose of meeting the obligation of the City to make replacements; and a proper proportionate part of the actual outlay of the City for

operating such machinery and equipment and keeping the same in repair, including reasonable overhead charges. The extent of the allowance for the several items and the system of accounting therefor shall be prescribed by the Secretary under uniform regulations to be promulgated by him in accordance with the Boulder Canyon Project Act.

TRANSMISSION

(8) The City, pursuant to its agreements hereinbefore referred to, will transmit over its main transmission line constructed for carrying Boulder Canyon power all energy so contracted for by the Municipality, and the Municipality will compensate the City therefor on the basis of its reasonable share of the cost of construction, operation and maintenance of such lines as hereinafter provided.

TRANSMISSION LINE DEFINED

(9) The expression "transmission line" as used herein, shall be understood to mean the main transmission line of the City, consisting of two transmission circuits, constructed to transmit energy from the Hoover Dam to the central receiving station of the City located within the City of Los Angeles, including supporting structures and transmission circuits, the necessary switching stations and equipment, the central receiving station together with stepdown transformers, synchronous condensers and other central receiving station equipment, and the necessary standby and regulating plant of capacity of not less than one-fourth and not more than one-third the combined reliable operating capacity of such transmission circuits, together with the necessary transmission line capacity connecting between said standby and regulating plant and said central receiving station.

TRANSMISSION LINE CONSTRUCTION COSTS

(10) The reasonable share of the construction costs of the transmission line, including interest during construction, which the Municipality shall pay to the City shall be determined at the time when energy is available as announced by the Secretary of the Interior, and shall be based on the ratio of the Municipality's designated transmission capacity requirement in kilowatts, as specified in the next succeeding section hereof, to the reliable operating capacity of the transmission line in kilowatts.

The determination of the reliable operating capacity of the transmission line, in conjunction with other more detailed matters, shall be based on the following:

1. The known facts respecting the various portions of the transmission line and the generating machinery installed at the Hoover Dam Power Plant.

2. The determination shall be made through the point by point method whether by computation or the use of a calculator board, using a factor of 80% as the relation of the reliable operating capacity to the maximum kilowatts that can be carried immediately prior and subsequent to a short circuit between two line conductors and ground at the most unfavorable location along the line; the duration of the short circuit being .2 of a second; the short circuit resulting in separating one section of one circuit through relaying; and the standby and regulating plant capacity idling without appreciable load.

3. The determination to be made on the basis of not to exceed 5% difference in voltage between the sending and receiving end of the transmission line, including the step-up and step-down transformers, with the receiving voltage being the lower of the two, and the total load supplied from this source of power including a 40% motor load.

4. The assumption that there will be an additional source of power in the form of steam plant capacity in Los Angeles, in addition to the said standby and regulating steam plant capacity, carrying a load equal to its rated capacity and equal to 25% of the reliable operating capacity of the transmission line, and connected with the said central receiving station through 132,000 volt tie lines and reactors.

The Municipality's aforesaid reasonable share of the construction costs of the transmission line shall be amortized over a 40-year period through payments in equal monthly installments, including interest on the unpaid balance, from and after the date energy is available as announced by the Secretary of the Interior. Construction costs of the transmission line shall include all moneys and the actual cost to the City of all property used in the construction of said transmission line and appurtenant works which may be properly chargeable under any fixed capital account, including interest during construction and overhead account, in accordance with the uniform system of accounts for electrical corporations prescribed by the Railroad Commission of the State of California; provided, however, that if the actual cost of said property is not readily ascertainable, then the reasonable value of such property shall be deemed to be its actual cost. The City will bill the Municipality for each such monthly payment on, before, or about the fifth of the succeeding month, and the same shall become due and payable on the twentieth of such succeeding month. The Municipality, however, may, on giving the City six months' notice, pay off the unpaid balance of its reasonable share of the construction costs without any penalty being exacted by the City, except such penalties and additional financial burdens or losses which may accrue to the City by reason of such advance payment. Payments under the foregoing terms and conditions may likewise be made by the Municipality of any part of the unpaid balance of its reasonable share of the construction costs; provided, however, that each such payment shall be not less than twenty per cent (20%) of the Municipality's total share of said construction costs.

TRANSMISSION CAPACITY REQUIREMENT OF MUNICIPALITY

(11) The transmission line capacity required to be provided for the Municipality shall be 5194 kilowatts at eighty per cent (80%) power factor.

The Municipality will be required to install and maintain on its system effective relaying equipment of generally accepted form, adjusted with respect to time and method of procedure in relaying as may be required for relay action in general conformity with the system of relay control of the City, so as to disconnect lines and equipment in emergency and, insofar as may be reasonably practicable, avoid disturbances leading to instability of the general electric system of the City.

During periods of maximum demand the Municipality's system power factor at the point of delivery, corrected for line and transformer modifications between the central receiving station and said point of delivery, shall be maintained at not less than eighty per cent (80%); and during periods of lesser demand, the power factor of the Municipality's demand from this source of power supply may be the same as, but not less, than the average power factor of the Municipality's whole system load; provided that the reactive kilovolt amperes do not exceed the reactive kilovolt amperes of the Municipality's demand during its maximum demand conditions at eighty per cent (80%) power factor; and providing, further, that the Municipality shall at all times during the period of this contract use due diligence in conformity with generally accepted practice to maintain the power factor of its electric system as nearly unity as practicable.

PROVISION FOR MEASURING DEMAND AND COMPENSATION FOR OVERDRAFT

(12) The Municipality's maximum demand in kilowatts from this source of power supply shall be determined by measuring the maximum average kilowatt demand occurring in any thirty-minute interval, measured at or reduced to the central receiving station of the transmission line. Should the demand in kilowatts taken by the Municipality at the point of delivery with correction allowed for losses to the said central receiving station, due to unforeseen operating or emergency condition, exceed the transmission capacity contracted for by the Municipality within the convenient ability of said standby and regulating plant to supply such excess demand, then, compensation equal to the extra cost of operating the standby and regulating plant on account of such overdraft shall be made to the City in connection with the next succeeding regular monthly payment by the Municipality under this contract; provided that no such overdraft may be allowed in such unforeseen or emergency operating condition unless the Municipality in connection with any other source of power required and provided in addition to this source to meet its demands

shall have provided corresponding standby and regulating capacity of at least an amount in like proportion as the standby and regulating plant of this source bears to the operating capacity of the transmission line.

OPERATION AND MAINTENANCE COSTS

(13) The reasonable share of the operation and maintenance costs of the transmission line which the Municipality shall pay to the City shall be apportioned on the basis of the Municipality's designated transmission capacity requirement in the same manner as herein provided for determining the Municipality's reasonable share of the construction costs. Payment for operation and maintenance shall be made by the Municipality monthly to the City, in the same manner and at the same time as provided for construction cost payments. "Operation and maintenance" as herein used, shall include any and all expenditures made by the City for the purpose of making replacements.

REPLACEMENT

(14) "Replacement" as used in this contract is understood to mean the setting aside of funds sufficient to make such replacements as may be necessary to keep the transmission line in good operating condition during and until the end of the said 50-year period. At the termination of this contract or any continuation or renewal thereof any moneys advanced by the Municipality remaining in this replacement fund, including accrued interest thereon, shall be returned to the Municipality.

OVERHEAD

(15) The expression "overhead" as used in this contract shall be understood to include general and miscellaneous expenses. Construction, operation and maintenance costs as provided for herein shall include allowance for overhead and general and miscellaneous expenses in accordance with the uniform system of accounts for electrical corporations prescribed by the Railroad Commission of the State of California.

INTEREST RATE

(16) The interest rate to be paid on the unpaid balance by the Municipality to the City shall be the average effective rate of interest paid by the City upon its outstanding bonds and/or other interest bearing indebtedness that necessarily shall be incurred in connection with the financing of the transmission line and its appurtenant works, not, however, exceeding six per cent (6%) per annum.

CREDIT FOR PROVIDING STANDBY AND REGULATING PLANT CAPACITY

(17) Credit, equal to the corresponding portion of the charge for construction, operation and maintenance costs of standby and regulating plant capacity and the necessary transmission capacity connecting between said standby and regulating plant and said central receiving station, shall be given to the Municipality insofar as it may provide a part or the whole of its allotment of standby and regulating plant capacity; provided, however, that the Municipality shall give fifteen (15) months' notice of its intention so to provide a specified part of its portion of standby and regulating plant; and, provided, further, that the standby and regulating plant capacity so provided and operated by the Municipality for which credit shall be given, may be and is operated successfully in conjunction with the standby and regulating plant of the City.

ACCOUNTS AND AUDITS

(18) (a) The City shall keep separate and distinct books of account for all matters covered by this contract as to construction, operation and maintenance costs, including overhead and general miscellaneous expenses, in accordance with the uniform system of accounts for electrical corporations prescribed by the Railroad Commission of the State of California, except as said rules and regulations may be modified by mutual consent of the parties hereto.

(b) The City will select a firm of certified public accountants who shall establish the accounting procedure in accordance with the uniform system of accounts for electrical corporations prescribed by the Railroad Commission of the State of California. Said books of account shall be audited every six (6) months by a firm of certified public accountants to be selected annually by the City, subject to the approval of the Municipality.

TEMPORARY AGREEMENT FOR MUNICIPALITY'S POWER

(19) Should the Municipality not be able to utilize a portion of the electrical energy contracted for by it, the City will take such portion of electrical energy so contracted for but not used by the Municipality for a period of time not exceeding three years following the announcement by the Secretary that energy is available, as provided in Article (11) (a) of the contract between the United States and the Municipality, and compensate the Municipality therefor by a credit on the monthly payments due the City from the Municipality under the provisions of this contract, equal to the cost of the same to the Municipality for falling water and for operation and maintenance expenses of generation at the power plant, together with allowance for amortiaztion of the cost of machinery on a 50-year basis and with proper allowance for losses in transmission. The Municipality may take and use paid portion of said electrical

energy so contracted for but not used by it at any time. The Municipality, without cost to the City and without affecting the Municipality's obligations herein, will permit the City to use the Municipality's portion of the transmission line capacity during the aforesaid period when the City is taking and using the Municipality's energy in accordance with the provisions of this paragraph.

OPTION TO RENEW

(20) The Municipality shall have the option of continuing its rights to have the energy covered by its Contract with the United States generated by the City and transmitted by it over the transmission line after termination of this Contract during the period of time, if any, the City may continue to operate and maintain the necessary generating machinery at the power plant and the transmission line on a basis of the Municipality paying its proportionate share of costs of operation, maintenance and replacements of the generating machinery and of the transmission line on terms and conditions consistent with the then existing laws and the provisions of this contract. If, during the period of this Contract, any substitution is made by the City for the transmission line the Municipality shall likewise have the option to have its aforesaid energy transmitted by said substituted method on a basis of the Municipality, in addition to discharging all its obligations hereunder including payment of the unpaid balance of its share of the construction costs of the original transmission line, if any, less its proportionate share of credit from salvaging said original transmission line or any part thereof, paying its proportionate share of the costs of said substituted equipment, together with its proportionate share of costs of operation, maintenance and replacement on terms and conditions that are consistent with the then existing laws and the provisions of this contract.

FAILURE OF DELIVERY OF MUNICIPALITY'S ENERGY AT CENTRAL RECEIVING POINTS

(21) In case of failure to provide for the transmission and delivery at a receiving station within Los Angeles of the electric energy contracted for with the United States by the Municipality for a period of time immediately following announcement by the Secretary that energy is available, the City will, during such period of time prior to the delivery of such energy, pay the Municipality each month an amount equal to the amount due from the Municipality to the United States under said contract.

TRANSMISSION FROM CENTRAL RECEIVING STATION

(22) The City, at the option of the Municipality, will deliver said electrical energy contracted for by the Municipality from said central receiving station over its local high voltage transmission and distribution system to an agreed location on the City's system adjacent to the Municipality.

In the event said use of the local transmission and distribution system of the City shall be made, payments for compensation to the City for the use of such portion of the total rated capacity of said system as is required by said Municipality shall be based on a charge per kilowatt hour covering the City's construction, operation and maintenance costs for said proportionate part, and shall be made monthly by the Municipality to the City in the same manner and at the same time as provided for in this contract for other payments to the City.

MEASUREMENT OF ENERGY

(23) All energy shall be measured at the central receiving station as delivered to the low tension bus bars by means of suitable metering equipment provided and installed by the City for this purpose. Suitable correction shall be made in the amount of energy so measured on the low tension bus bars to cover transmission line and transformer losses in determining the amount of energy delivered at transmission voltage as provided for in the agreement and supplemental agreements between the City and the United States referred to in Section (4) hereof. The Municipality shall share in the expense of maintaining and testing said meter equipment in the same proportion as herein provided for determining the Municipality's reasonable share of the construction, operation and maintenance costs of the transmission line.

The City will install, at the Municipality's expense, suitable metering equipment for the purpose of measuring the energy delivered to the Municipality from the City at its agreed delivery point. Suitable correction shall be made in the amounts of energy and its power factor so measured at this delivery point to cover transmission and, in case of transformation, transformer losses, in determining the amounts of energy delivered to the Municipality and the power factor of such delivery at the low tension bus bars of the central receiving station. The said metering equipment shall be maintained and tested by the City at the expense of the Municipality.

Meters shall be tested at any reasonable time upon request by either the City or Municipality, and in any event they shall be tested at least once each year. If the test discloses that the error of any meter exceeds one per cent (1%), such meter shall be adjusted so that the error shall not exceed one-half of one per cent (½%). The metering equipments shall be tested by means of suitable testing equipment which shall be provided by the City and which shall be calibrated by the City as often as requested by any party hereto by checking against secondary standards of the United States Bureau of Standards maintained by the City in its testing laboratory. Meters shall be kept sealed and the seals shall be broken only in the presence of the respective representatives of both the City and the Municipality, and likewise all tests of meter equipment shall be con-

ducted only when representatives of both the City and the Municipality are present.

Payments for all obligations of the Municipality accruing under the provisions of this paragraph shall be due and payable on the twentieth of the month succeeeding the installation of equipment or the performance of the service provided for herein.

PENALTIES

(24) If any charge or payments provided for herein are not paid by the Municipality when due, and at the times and in the manner provided for herein, a penalty of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional penalty of one per centum (1%) of the amount unpaid shall be added on the twenty-first day of each calendar month thereafter during such delinquency.

DISPUTES AND DISAGREEMENTS

(25) Disputes or disagreements arising under this contract between the Municipality and the City shall be arbitrated by three arbitrators, except where otherwise provided in this contract. The Municipality shall name one arbitrator, and the City shall name one. These two shall name the third. If either disputant has notified the other that arbitration is demanded and that it has named an arbitrator, and if thereafter the other disputant fails to name an arbitrator for fifteen days, the Secretary of the Interior, if requested by either disputant, shall name such arbitrator, who shall proceed as though named by the disputant. The two arbitrators so named shall meet within five days after appointment of the second, and name the third. If they fail to do so, the Secretary will, on request by either disputant or arbitrator, name the third. A decision by any two of the three arbitrators shall be binding on the disputants and enforceable by court proceedings in accordance with the provisions of the then existing law or by the Secretary in his discretion. Arbitration as herein provided, or the failure of the arbitrators to render a decision within six months of appointment of the third arbitrator, shall be a condition precedent to suit by either disputant against the other upon the matter in dispute.

TRANSFER OF INTEREST IN CONTRACT

(26) No voluntary transfer of this contract, or of the rights hereunder shall be made without the written approval of the City acting through its Board of Water and Power Commissioners. Any successor or assign of the rights of either of the parties hereto, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the conditions of the Boulder Canyon Project Act, and also subject to all the provisions and conditions of this contract to the same extent as though such successor or assign were the original

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contractor hereunder; provided that a mortgage or trust deed or judicial sale made thereunder shall not be deemed voluntary transfers within the meaning of this section.

TITLE TO REMAIN IN CITY

(27) It is agreed that nothing herein contained shall be construed as conferring upon the Municipality any control of or title in or to said transmission line, as defined herein, appurtenances or incidental works, or any portion thereof, and it is mutually understod that the title to, together with full and complete control of, said transmission line and all appurtenances, incidental works and plants shall forever remain in the City or its nominee or assignee of the same, or any portions thereof. All payments made or to be made by the Municipality pursuant to the provisions of this Contract shall be construed as constituting consideration for the right to the service to be rendered in generating and transmitting energy by the City in accordance with the provisions hereof.

DURATION OF CONTRACT

(28) This Contract shall not become effective for any purpose unless on or before November 16, 1931, two-thirds of the qualified electors of the Municipality, voting at an election to be held for that purpose, shall have assented that the Municipality shall incur the indebtedness and liability provided for herein and shall have ratified the execution hereof. After having become effective this Contract shall remain in effect until the expiration of a period of fifty (50) years from the date at which energy is ready for delivery to the City, as announced by the Secretary.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed the day and year first above written.

THE CITY OF LOS ANGELES, acting by and through its Board of Water and Power Commissioners.

By ARTHUR STRASBURGER, *President.*

Attest:

JAS. P. VROMAN, *Secretary.*

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, by the Board of Water and Power Commissioners.

By ARTHUR STRASBURGER, *President.*

Attest:

JAS. P. VROMAN, *Secretary.*

THE CITY OF BURBANK,
By J. L. NORWOOD,
President of the Council of the City of Burbank.

Attest:
F. S. WEBSTER,
City Clerk of the City of Burbank.

EXHIBIT "A"

INCLUDES COMPLETE COPIES OF

CONTRACT FOR LEASE OF POWER PRIVILEGE

OF DATE APRIL 26, 1930,

SUPPLEMENTAL AGREEMENTS OF DATE OF MAY 28, 1930,

AND SEPTEMBER 23, 1931, RESPECTIVELY

BETWEEN

THE UNITED STATES

AND

THE CITY OF LOS ANGELES

AND

SOUTHERN CALIFORNIA EDISON COMPANY LTD.

[ITEM 36]

BOULDER CANYON PROJECT

CONTRACT FOR GENERATION AND TRANSMISSION OF POWER

THE CITY OF LOS ANGELES

AND

THE CITY OF GLENDALE

SEPTEMBER 24, 1931

(1) THIS CONTRACT, made this twenty-fourth day of September, nineteen hundred thirty-one, between the CITY OF LOS ANGELES, a municipal corpora-

tion, and DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, acting for this purpose by its Board of Water and Power Commissioners, hereinafter styled the City, and the CITY OF GLENDALE, hereinafter styled the Municipality:

WITNESSETH

EXPLANATORY RECITALS

(2) WHEREAS, for the purpose of controlling the floods, improving navigation and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters for reclamation of public lands and other beneficial uses exclusively within the United States, and for the generation of electrical energy, the Secretary of the Interior of the United States is authorized to construct, operate and maintain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon, adequate to create a storage reservoir of a capacity of not less than twenty-million acre-feet of water; also to construct, equip, operate and maintain at or near said dam, or cause to be constructed, a complete plant and incidental structures suitable for the fullest economic development of electrical energy from the water discharged from said reservoir; and

(3) WHEREAS, after full consideration of the advantages of both the Black Canyon and Boulder dam sites, the Secretary of the Interior has determined upon Black Canyon as the site of the aforesaid dam, hereinafter styled the Hoover Dam, and has determined that the provision for revenues made by contracts in accordance with the provisions of the Boulder Canyon Project Act is adequate in his judgment to insure payment of all expenses of operation and maintenance of the Hoover Dam and appurtenant works incurred by the United States, and the repayment within fifty (50) years from the date of completion of said works of all amounts advanced to the Colorado River Dam Fund under Subdivision (b) of Section (2) of the Boulder Canyon Project Act, together with interest thereon made reimbursable under said Act; and

(4) WHEREAS, the United States has entered into an agreement with the City of date April 26, 1930, and supplemental agreements of date May 28, 1930, and September 23, 1931, respectively, for the lease and the operation and maintenance of a government-built power plant to be constructed at Hoover Dam, together with the right and obligation on the part of the City, except as in said agreement otherwise provided, to act as the generating and transmission agency in the generation and transmission of all energy contracted for by the Municipality and other municipalities referred to in said agreement; and

(5) WHEREAS, in said agreements the Secretary of the Interior reserved the authority to, and in consideration of the execution thereof was authorized by the City to contract with the Municipality for the furnishing of energy to the Municipality at transmission voltage, in the amount contracted for by the Mu-

nicipaliy, and in accordance therewith the Secretary of the Interior has caused to be prepared and to be submitted to said Municipality for execution, a contract providing among other things for the purchase of electrical energy to be generated at the power plant to be provided for by the Government, and operated by the City as the generating agency in accordance with the provisions of the agreement and supplemental agreements heretofore referred to in Section (4) hereof; and

(6) WHEREAS, the parties hereto are desirous of entering into this agreement for the generation and transmission of the energy contracted for by the Municipality to be generated at said Government-built power plant;

NOW, THEREOF, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to-wit:

GENERATION

(7) Subject to all of the covenants, terms and conditions set forth in the agreement dated April 26, 1930, and the supplemental agreements dated May 28, 1930, and September 23, 1931, respectively, hereinbefore referred to in Section (4) hereof (copies of which are attached hereto, marked Exhibit "A," and by this reference made a part hereof), the City will assume the operation of that portion of the power plant set apart to it under said agreement and supplemental agreements, and will generate the energy contracted for by the Municipality in accordance with the provisions of said agreement and supplemental agreements; and the Municipality hereby agrees to pay to the United States, in the manner and in accordance with the terms and conditions of said agreement and supplemental agreements for credit of the City, the cost incurred by the City in generating energy for the Municipality; and it is agreed that the term "cost" as used with reference to generating energy for the Municipality shall include a proper proportionate allowance for amortization of the amounts for which the City is obligated to the United States on account of the use of machinery and equipment, together with a proper proportionate share of the interest on said amounts which the City is obligated to pay the United States, and interest on the City's prepayments of portions thereof, if any, it being understod that said proper proportionate allowance for amortization shall be paid by the Municipality in ten (10) equal annual installments in a similar manner and at such dates as the City is obligated to make payments for the same by the terms of its agreement and supplemental agreements with the United States; a proper proportionate part of any annuity set-up in accordance with the regulations of the Secretary of the Interior, and any additional expenditures made by the City with the approval of the Secretary for the purpose of meeting the obligation of the City to make replacements; and a proper proportionate part of the actual outlay of the City for operating such machinery and equipment and keeping the same in repair, including reason-

able overhead charges. The extent of the allowance for the several items and the system of accounting therefor shall be prescribed by the Secretary under uniform regulations to be promulgated by him in accordance with the Boulder Canyon Project Act.

TRANSMISSION

(8) The City, pursuant to its agreements hereinbefore referred to, will transmit over its main transmission line constructed for carrying Boulder Canyon power all energy so contracted for by the Municipality, and the Municipality will compensate the City therefor on the basis of its reasonable share of the cost of construction, operation and maintenance of such lines as hereinafter provided.

TRANSMISSION LINE DEFINED

(9) The expression "transmission line" as used herein, shall be understood to mean the main transmission line of the City, consisting of two transmission circuits, constructed to transmit energy from the Hover Dam to the central receiving station of the City located within the City of Los Angeles, including supporting structures and transmission circuits, the necessary switching stations and equipment, the central receiving station together with stepdown transformers, synchronous condensers and other central receiving station equipment, and the necessary standby and regulating plant of capacity of not less than one-fourth and not more than one-third the combined reliable operating capacity of such transmission circuits, together with the necessary transmission line capacity connecting between said standby and regulating plant and said central receiving station.

TRANSMISSION LINE CONSTRUCTION COSTS

(10) The reasonable share of the construction costs of the transmission line, including interest during construction, which the Municipality shall pay to the City shall be determined at the time when energy is available as announced by the Secretary of the Interior, and shall be based on the ratio of the Municipality's designated transmission capacity requirement in kilowatts, as specified in the next succeeding section hereof, to the reliable operating capacity of the transmission line in kilowatts.

The determination of the reliable operating capacity of the transmission line, in conjunction with other more detailed matters, shall be based on the following:

1. The known facts respecting the various portions of the transmission line and the generating machinery installed at the Hoover Dam Power Plant.

2. The determination shall be made through the point by point method whether by computation or the use of a calculator board, using a factor of 80%

as the relation of the reliable operating capacity to the maximum kilowatts that can be carried immediately prior and subsequent to a short circuit between two line conductors and ground at the most unfavorable location along the line; the duration of the short circuit being .2 of a second; the short circuit resulting in separating one section of one circuit through relaying; and the standby and regulating plant capacity idling without appreciable load.

3. The determination to be made on the basis of not to exceed 5% difference in voltage between the sending and receiving end of the transmission line, including the step-up and a step-down transformers, with the receiving voltage being the lower of the two, and the total load supplied from this source of power including a 40% motor load.

4. The assumption that there will be an additional source of power in the form of steam plant capacity in Los Angeles, in addition to the said standby and regulating steam plant capacity, carrying a load equal to its rated capacity and equal to 25% of the reliable operating capacity of the transmission line, and connected with the said central receiving station through 132,000 volt tie lines and reactors.

The Municipality's aforesaid reasonable share of the construction costs of the transmission line shall be amortized over a 40-year period through payments in equal monthly installments, including interest on the unpaid balance, from and after the date energy is available as announced by the Secretary of the Interior. Construction costs of the transmission line shall include all moneys and the actual cost to the City of all property used in the construction of said transmission line and appurtenant works which may be properly chargeable under any fixed capital account, including interest during construction and overhead account, in accordance with the uniform system of accounts for electrical corporations prescribed by the Railroad Commission of the State of California; provided, however, that if the actual cost of said property is not readily ascertainable, then the reasonable value of such property shall be deemed to be its actual cost. The City will bill the Municipality for each such monthly payment on, before, or about the fifth of the succeeding month, and the same shall become due and payable on the twentieth of such succeeding month. The Municipality, however, may, on giving the City six months' notice, pay off the unpaid balance of its reasonable share of the construction costs without any penalty being exacted by the City, except such penalties and additional financial burdens or losses which may accrue to the City by reason of such advance payment. Payments under the foregoing terms and conditions may likewise be made by the Municipality of any part of the unpaid balance of its reasonable share of the construction costs; provided, however, that each such payment shall be not less than twenty per cent (20%) of the Municipality's total share of said construction costs.

TRANSMISSION CAPACITY REQUIREMENT OF MUNICIPALITY

(11) The transmission line capacity required to be provided for the Municipality shall be 29294 kilowatts at eighty per cent (80%) power factor.

The Municipality will be required to install and maintain on its system effective relaying equipment of generally accepted form, adjusted with respect to time and method of procedure in relaying as may be required for relay action in general conformity with the system of relay control of the City, so as to disconnect lines and equipment in emergency and, insofar as may be reasonably practicable, avoid disturbances leading to instability of the general electric system of the City.

During periods of maximum demand the Municipality's system power factor at the point of delivery, corrected for line and transformer modifications between the central receiving station and said point of delivery, shall be maintained at not less than eighty per cent (80%); and during periods of lesser demand, the power factor of the Municipality's demand from this source of power supply may be the same as, but not less, than the average power factor of the Municipality's whole system load; provided that the reactive kilovolt amperes do not exceed the reactive kilovolt amperes of the Municipality's demand during its maximum demand conditions at eighty per cent (80%) power factor; and providing, further, that the Municipality shall at all times during the period of this contract use due diligence in conformity with generally accepted practice to maintain the power factor of its electric system as nearly unity as practicable.

PROVISION FOR MEASURING DEMAND AND COMPENSATION FOR OVERDRAFT

(12) The Municipality's maximum demand in kilowatts from this source of power supply shall be determined by measuring the maximum average kilowatt demand occurring in any thirty-minute interval, measured at or reduced to the central receiving station of the transmission line. Should the demand in kilowatts taken by the Municipality at the point of delivery with correction allowed for losses to the said central receiving station, due to unforeseen operating or emergency condition, exceed the transmission capacity contracted for by the Municipality within the convenient ability of said standby and regulating plant to supply such excess demand, then, compensation equal to the extra cost of operating the standby and regulating plant on account of such overdraft shall be made to the City in connection with the next succeeding regular monthly payment by the Municipality under this contract; provided that no such overdraft may be allowed in such unforeseen or emergency operating condition unless the Municipality in connection with any other source of power required and provided in addition to this source to meet its demands shall have provided

corresponding standby and regulating capacity of at least an amount in like proportion as the standby and regulating plant of this source bears to the operating capacity of the transmission line.

OPERATION AND MAINTENANCE COSTS

(13) The reasonable share of the operation and maintenance costs of the transmission line which the Municipality shall pay to the City shall be apportioned on the basis of the Municipality's designated transmission capacity requirement in the same manner as herein provided for determining the Municipality's reasonable share of the construction costs. Payments for operation and maintenance shall be made by the Municipality monthly to the City, in the same manner and at the same time as provided for construction cost payments. "Operation and maintenance" as herein used, shall include any and all expenditures made by the City for the purpose of making replacements.

REPLACEMENT

(14) "Replacement" as used in this contract is understood to mean the setting aside of funds sufficient to make such replacements as may be necessary to keep the transmission line in good operating condition during and until the end of the said 50-year period. At the termination of this contract or any continuation or renewal thereof any moneys advanced by the Municipality remaining in this replacement fund, including accrued interest thereon, shall be returned to the Municipality.

OVERHEAD

(15) The expression "overhead" as used in this contract shall be understood to include general and miscellaneous expenses. Construction, operation and maintenance costs as provided for herein shall include allowance for overhead and general and miscellaneous expenses in accordance with the uniform system of accounts for electrical corporations prescribed by the Railroad Commission of the State of California.

INTEREST RATE

(16) The interest rate to be paid on the unpaid balance by the Municipality to the City shall be the average effective rate of interest paid by the City upon its outstanding bonds and/or other interest bearing indebtedness that necessarily shall be incurred in connection with the financing of the transmission line and its appurtenant works, not, however, exceeding six per cent (6%) per annum,

CREDIT FOR PROVIDING STANDBY AND REGULATING PLANT CAPACITY

(17) Credit, equal to the corresponding portion of the charge for construction, operation and maintenance costs of standby and regulating plant capacity and the necessary transmission capacity connecting between said standby and regulating plant and said central receiving station, shall be given to the Municipality insofar as it may provide a part or the whole of its allotment of standby and regulating plant capacity; provided, however, that the Municipality shall give fifteen (15) months' notice of its intention so to provide a specified part of its portion of standby and regulating plant; and, provided, further, that the standby and regulating plant capacity so provided and operated by the Municipality for which credit shall be given, may be and is operated successfully in conjunction with the standby and regulating plant of the city.

ACCOUNTS AND AUDITS

(18) The City shall keep separate and distinct books of account for all matters covered by this contract as to construction, operation and maintenance costs, including overhead and general and miscellaneous expenses, in accordance with the uniform system of accounts for electrical corporations prescribed by the Railroad Commission of the State of California, except as said rules and regulations may be modified by mutual consent of the parties hereto.

(b) The City will select a firm of certified public accountants who shall establish the accounting procedure in accordance with the uniform system of accounts for electrical corporations prescribed by the Railroad Commission of the State of California. Said books of account shall be audited every six (6) months by a firm of certified public accountants to be selected annually by the City, subject to the approval of the Municipality.

TEMPORARY AGREEMENT FOR MUNICIPALITY'S POWER

(19) Should the Municipality not be able to utilize a portion of the electrical energy contracted for by it, the City will take such portion of electrical energy so contracted for but not used by the Municipality for a period of time not exceeding three years following the announcement by the Secretary that energy is available, as provided in Article (11) (a) of the contract between the United States and the Municipality, and compensate the Municipality therefor by a credit on the monthly payments due the City from the Municipality under the provisions of this contract, equal to the cost of the same to the Municipality for falling water and for operation and maintenance expenses of generation at the power plant, together with allowance for amortization of the cost of machinery on a 50-year basis and with proper allowance for losses in transmission. The Municipality may take and use said portion of said electrical

energy so contracted for but not used by it at any time. The Municipality, without cost to the City and without affecting the Municipality's obligations herein, will permit the City to use the Municipality's portion of the transmission line capaciy during the aforesaid period when the City is taking and using the Municipality's energy in accordance with the provisions of this paragraph.

OPTION TO RENEW

(20) The Municipality shall have the option of continuing its right to have the energy covered by its Contract with the United States generated by the City and transmitted by it over the transmission line after termination of this Contract during the period of time, if any, the City may continue to operate and maintain the necessary generating machinery at the power plant and the transmission line on a basis of the Municipality paying its proportionate share of costs of operation, maintenance and replacements of the generating machinery and of the transmission line on terms and conditions consistent with the then existing laws and the provisions of this contract. If, during the period of this Contract, any substitution is made by the City for the transmission line the Municipality shall likewise have the option to have its aforesaid energy transmitted by said substituted method on a basis of the Municipality, in addition to discharging all its obligations hereunder including payment of the unpaid balance of its share of the construction costs of the original transmission line, if any, less its proportionate share of credit from salvaging said original transmission line or any part thereof, paying its proportionate share of the costs of said substituted equipment, together with its proportionate share of costs of operation, maintenance and replacement on terms and conditions that are consistent with the then existing laws and the provisions of this contract.

FAILURE OF DELIVERY OF MUNICIPALITY'S ENERGY AT CENTRAL RECEIVING POINTS

(21) In case of failure to provide for the transmission and delivery at a receiving station within Los Angeles of the electric energy contracted for with the United States by the Municipality for a period of time immediately following announcement by the Secretary that energy is available, the City will, during such period of time prior to the delivery of such energy, pay the Municipality each month an amount equal to the amount due from the Municipality to the United States under said contract.

TRANSMISSION FROM CENTRAL RECEIVING STATION

(22) The City, at the option of the Municipality, will deliver said electrical energy contracted for by the Municipality from said central receiving station

over its local high voltage transmission and distribution system to an agreed location on the City's system adjacent to the Municipality.

In the event said use of the local transmission and distribution system of the City shall be made, payments for compensation to the City for the use of such portion of the total rated capacity of said system as is required by said Municipality shall be based on a charge per kilowatt hour covering the City's construction, operation and maintenance costs for said proportionate part, and shall be made monthly by the Municipality to the City in the same manner and at the same time as provided for in this contract for other payments to the City.

MEASUREMENT OF ENERGY

(23) All energy shall be measured at the central receiving station as delivered to the low tension bus bars by means of suitable metering equipment provided and installed by the City for this purpose. Suitable correction shall be made in the amount of energy so measured on the low tension bus bars to cover transmission line and transformer losses in determining the amount of energy delivered at transmission voltage as provided for in the agreement and supplemental agreements between the City and the United States referred to in Section (4) hereof. The Municipality shall share in the expense of maintaining and testing said meter equipment in the same proportion as herein provided for determining the Municipality's reasonable share of the construction, operation and maintenance costs of the transmission line.

The City will install, at the Municipality's expense, suitable metering equipment for the purpose of measuring the energy delivered to the Municipality from the City at its agreed delivery point. Suitable correction shall be made in the amounts of energy and its power factor so measured at this delivery point to cover transmission and, in case of transformation, transformer losses, in determining the amounts of energy delivered to the Municipality and the power factor of such delivery at the low tension bus bars of the central receiving station. The said metering equipment shall be maintained and tested by the City at the expense of the Municipality.

Meters shall be tested at any reasonable time upon request by either the City or Municipality, and in any event they shall be tested at least once each year. If the test discloses that the error of any meter exceeds one per cent (1%), such meter shall be adjusted so that the error shall not exceed one-half of one per cent (½%). The metering equipments shall be tested by means of suitable testing equipment which shall be provided by the City and which shall be calibrated by the City as often as requested by any party hereto by checking against secondary standards of the United States Bureau of Standards maintained by the City in its testing laboratory. Meters shall be kept sealed and the seals be broken only in the presence of the respective representatives of both the City and the Municipality, and likewise all tests of meter equipment shall be con-

ducted only when representatives of both the City and the Municipality are present.

Payments for all obligations of the Municipality accruing under the provisions of this paragraph shall be due and payable on the twentieth of the month succeeding the installation of equipment or the performance of the service provided for herein.

PENALTIES

(24) If any charge or payments provided for herein are not paid by the Municipality when due, and at the times and in the manner provided for herein, a penalty of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional penalty of one per centum (1%) of the amount unpaid shall be added on the twenty-first day of each calendar month thereafter during such delinquency.

DISPUTES AND DISAGREEMENTS

(25) Disputes or disagreements arising under this contract between the Municipality and the City shall be arbitrated by three arbitrators, except where otherwise provided in this contract. The Municipality shall name one arbitrator, and the City shall name one. These two shall name the third. If either disputant has notified the other that arbitration is demanded and that it has named an arbitrator, and if thereafter the other disputant fails to name an arbitrator for fifteen days, the Secretary of the Interior, if requested by either disputant, shall name such arbitrator, who shall proceed as though named by the disputant. The two arbitrators so named shall meet within five days after appointment of the second, and name the third. If they fail to do so, the Secretary will, on request by either disputant or arbitrator, name the third. A decision by and two of the three arbitrators shall be binding on the disputants and enforceable by court proceedings in accordance with the provisions of the then existing law or by the Secretary in his discretion. Arbitration as herein provided, or the failure of the arbitrators to render a decision within six months of appointment of the third arbitrator, shall be a condition precedent to suit by either disputant against the other upon the matter in dispute.

TRANSFER OF INTEREST IN CONTRACT

(26) No volunary transfer of this contract, or of the rights hereunder, shall be made without the written approval of the City acting through its Board of Water and Power Commissioners. Any successor or assign of the rights of either of the parties hereto, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the conditions of the Buolder Canyon Project Act, and also subject to all the provisions and conditions of this contract to the same extent as though such successor or assign were the original contractor hereunder; provided that a mortgage or trust deed or judicial sale made

thereunder shall not be deemed voluntary transfers within the meaning of this section.

TITLE TO REMAIN IN CITY

(27) It is agreed that nothing herein contained shall be construed as conferring upon the Municipality any control of or title in or to said transmission line, as defined herein, appurtenances or incidental works, or any portion thereof, and it is mutually understood that the title to, together with full and complete control of, said transmission line and all appurtenances, incidental works and plants shall forever remain in the City or its nominee or assignee of the same, or any portions thereof. All payments made or to be made by the Municipality pursuant to the provisions of this Contract shall be construed as constituting consideration for the right to the service to be rendered in generating and transmitting energy by the City in accordance with the provisions hereof.

DURATION OF CONTRACT

(28) This Contract shall not become effective for any purpose unless on or before November 16, 1931, two-thirds of the qualified electors of the Municipality, voting at an election to be held for that purpose, shall have assented that the Municipality shall incur the indebtedness and liability provided for herein and shall have ratified the execution hereof. After having become effective this Contract shall remain in effect until the expiration of a period of fifty (50) years from the date at which energy is ready for delivery to the City, as announced by the Secretary.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed the day and year first above written.

THE CITY OF LOS ANGELES, acting by and through its Board of Water and Power Commissioners.

By ARTHUR STRASBURGER, *President.*

Attest:

JAS. P. VROMAN, *Secretary.*

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, by the Board of Water and Power Commissioners,

By ARTHUR STRASBURGER, *President.*

Attest:

JAS. P. VROMAN, *Secretary.*

THE CITY OF GLENDALE,

By FRANK P. TAGGART, *Mayor.*

Attest:

G. E. CHAPMAN, *City Clerk.*

EXHIBIT "A"

INCLUDES COMPLETE COPIES OF

CONTRACT FOR LEASE OF POWER PRIVILEGE

OF DATE APRIL 26, 1930,

SUPPLEMENTAL AGREEMENTS OF DATE OF MAY 28, 1930,

AND SEPTEMBER 23, 1931, RESPECTIVELY

BETWEEN

THE UNITED STATES

AND

THE CITY OF LOS ANGELES

AND

SOUTHERN CALIFORNIA EDISON COMPANY LTD.

833942—50—26

[ITEM 37]

BOULDER CANYON PROJECT

CONTRACT FOR GENERATION AND TRANSMISION OF POWER

THE CITY OF LOS ANGELES

AND

THE CITY OF PASADENA

SEPTEMBER 24, 1931

(1) THIS CONTRACT, made this twenty-fourth day of September, nineteen hundred thirty-one, between the CITY OF LOS ANGELES, a municipal corpora-

tion, and DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, acting for this purpose by its Board of Water and Power Commissioners, hereinafter styled the City, and the CITY OF PASADENA, hereinafter styled the Municipality:

WITNESSETH:

EXPLANATORY RECITALS

(2) WHEREAS, for the purpose of controlling the floods, improving navigation and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters for reclamation of public lands and other beneficial uses exclusively within the United States, and for the generation of electrical energy, the Secretary of the Interior of the United States is authorized to construct, operate and maintain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon, adequate to create a storage reservoir of a capacity of not less than twenty-million acre-feet of water; also to construct, equip, operate and maintain at or near said dam, or cause to be constructed, a complete plant and incidental structures suitable for the fullest ecnnomic development of electrical energy from the water discharged from said reservoir; and

(3) WHEREAS, after full consideration of the advantages of both the Black Canyon and Boulder Canyon dam sites, the Secretary of the Interior has determined upon Black Canyon as the site of the aforesaid dam, hereinafter styled the Hoover Dam, and has determined that the provision for revenues made by contracts in accordance with the provisions of the Boulder Canyon Project Act is adequate in his judgment to insure payment of all expenses of operation and maintenance of the Hover Dam and apurtenant works incurred by the United States, and the repayment within fifty (50) years from the date of completion of said works of all amounts advanced to the Colorado River Dam Fund under Subdivision (b) of Section (2) of the Boulder Canyon Project Act, together with interest thereon made reimbursable under said Act; and

(4) WHEREAS, the United States has entered into an agreement with the City of date April 26, 1930, and supplemental agreements of date May 28, 1930, and September 23, 1931, respectively, for the lease and the operation and maintenance of a government-built power plant to be constructed at Hoover Dam, together with the right and obligation on the part of the City, except as in said agreement otherwise provided, to act as the generating and transmission agency in the generation and transmission of all energy contracted for by the Municipality and other municipalities referred to in said agreement; and

(5) WHEREAS, in said agreements the Secretary of the Interior reserved the authority to, and in consideration of the execution thereof was authorized by the City to contract with the Municipality for the furnishing of energy to the Municipality at transmission voltage, in the amount contracted for by the

Municipality, and in accordance therewith the Secretary of the Interior has caused to be prepared and to be submitted to said Municipality for execution, a contract providing among other things for the purchase of electrical energy to be generated at the power plant to be provided for by the Government, and operated by the City as the generating agency in accordance with the provisions of the agreement and supplemental agreements heretofore referred to in Section (4) hereof; and

(6) WHEREAS, the parties hereto are desirous of entering into this agreement for the generation and transmission of the energy contracted for by the Municipality to be generated at said Government-built power plant;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to-wit:

GENERATION

(7) Subject to all of the covenants, terms and conditions set forth in the agreement dated April 26, 1930, and the suplemental agreements dated May 28, 1930, and September 23, 1931, respectively, hereinbefore referred to in Section (4) hereof (copies of which are attached hereto, marked Exhibit "A," and by this reference made a part hereof), the City will assume the operation of that portion of the power plant set apart to it under said agreement and supplemental agreements, and will generate the energy contracted for by the Municipality in accordance with the provisions of said agreement and supplemental agreements; and the Municipality hereby agrees to pay to the United States, in the manner and in accordance with the terms and conditions of said agreement and supplemental agreements for credit of the City, the cost incurred by the City in generating energy for the Municipality; and it is agreed that the term "cost" as used with reference to generating energy for the Municipality shall include a proper proportionate allowance for amortization of the amounts for which the City is obligated to the United States on account of the use of machinery and equipment, together with a proper proportionate share of the interest on said amounts which the City is obligated to pay the United States, and interest on the City's prepayments of portions thereof, if any, it being understood that said proper proportionate allowance for amortization shall be paid by the Municipality in ten (10) equal annual installments in a similar manner and at such dates as the City is obligated to make payments for the same by the terms of its agreement and supplemental agreements with the United States; a proper proportionate part of any annuity set-up in accordance with the regulations of the Secretary of the Interior, and any additional expenditures made by the City with the approval of the Secretary for the purpose of meeting the obligation of the City to make replacements; and a proper proportionate part of the actual outlay of the City for operating such machinery and equipment and keeping the same in repair, including reasonable overhead

charges. The extent of the allowance for the several items and the system of accounting therefor shall be prescribed by the Secretary under uniform regulations to be promulgated by him in accordance with the Boulder Canyon Project Act.

TRANSMISSION

(8) The City, pursuant to its agreements hereinbefore referred to, will transmit over its main transmission line constructed for carrying Boulder Canyon power all energy so contracted for by the Municipality, and the Municipality will compensate the City therefor on the basis of its reasonable share of the cost of construction, operation and maintenance of such lines as hereinafter provided.

TRANSMISSION LINE DEFINED

(9) The expression "transmission line" as used herein, shall be understood to mean the main transmission line of the City, consisting of two transmission circuits, constructed to transmit energy from the Hoover Dam to the central receiving station of the City located within the City of Los Angeles, including supporing structures and transmission circuits, the necessary switching stations and equipment, the central receiving station together with stepdown transformers, synchronous condensers and other central receiving station equipment, and the necessary standby and regulating plant of capacity of not less than one-fourth and not more than one-third the combined reliable operating capacity of such transmission circuits, together with the necessary transmission line capacity connecting between said standby and regulating plant and said central receiving station.

TRANSMISSION LINE CONSTRUCTION COSTS

(10) The reasonable share of the construction costs of the transmission line, including interest during construction, which the Municipality shall pay to the City shall be determined at the time when energy is available as announced by the Secretary of the Interior, and shall be based on the ratio of the Municipality's designated transmission capacity requirement in kilowatts, as specified in the next succeeding section hereof, to the reliable operating capacity of the transmission line in kilowatts.

The determination of the reliable operating capacity of the transmission line, in conjunction with other more detailed matters, shall be based on the following:

1. The known facts respecting the various portions of the transmission line and the generating machinery installed at the Hoover Dam Power Plant.

2. The determination shall be made through the point by point method whether by computation or the use of a calculator board, using a factor of

80% as the relation of the reliable operating capacity to the maximum kilowatts that can be carried immediately prior and subsequent to a short circuit between two line conductors and ground at the most unfavorable location along the line; the duration of the short circuit being .2 of a second; the short circuit resulting in separating one section of one circuit through relaying; and the standby and regulating plant capacity idling without appreciable load.

3. The determination to be made on the basis of not to exceed 5% difference in voltage between the sending and receiving end of the transmission line, including the step-up and step-down transformers, with the receiving voltage being the lower of the two, and the total load supplied from this source of power including a 40% motor load.

4. The assumption that there will be an additional source of power in the form of steam plant capacity in Los Angeles, in addition to the said standby and regulating steam plant capacity, carrying a load equal to its rated capacity and equal to 25% of the reliable operating capacity of the transmission line, and connected with the said central receiving station through 132,000 volt tie lines and reactors.

The Municipality's aforesaid reasonable share of the construction costs of the transmission line shall be amortized over a 40-year period through payments in equal monthly installments, including interest on the unpaid balance, from and after the date energy is available as announced by the Secretary of the Interior. Construction costs of the transmission line shall include all moneys and the actual cost to the City of all property used in the construction of said transmission line and appurtenant works which may be properly chargeable under any fixed capital account, including interest during construction and overhead account, in accordance with the uniform system of accounts for electrical corporations prescribed by the Railroad Commission of the State of California; provided, however, that if the actual cost of said property is not readily ascertainable, then the reasonable value of such property shall be deemed to be its actual cost. The City will bill the Municipality for each such monthly payment on, before, or about the fifth of the succeeding month, and the same shall become due an payable on the twentieth of such succeeding month. The Municipality, however, may, on giving the City six months' notice, pay off the unpaid balance of its reasonable share of the construction costs without any penalty being exacted by the City, except such penalties and additional financial burdens or losses which may accrue to the City by reason of such advance payment. Payments under the foregoing terms and conditions may likewise be made by the Municipality of any part of the unpaid balance of its reasonable share of the construction costs; provided, however, that each such payment shall be not less than twenty per cent (20%) of the Municipality's total share of said construction costs.

TRANSMISSION CAPACITY REQUIREMENT OF MUNICIPALITY

(11) The transmission line capacity required to be provided for the Municipality shall be 11880 kilowatts at eighty per cent (80%) power factor.

The Municipality will be required to install and maintain on its system effective relaying equipment of generally accepted form, adjusted with respect to time and method of procedure in relaying as may be required for delay action in general conformity with the system of relay control of the City, so as to disconnect lines and equipment in emergency and, insofar as may be reasonably practicable, avoid disturbances leading to instability of the general electric system of the City.

During periods of maximum demand the Municipality's system power factor at the point of delivery, corrected for line and transformer modifications between the central receiving station and said point of delivery, shall be maintained at not less than eighty per cent (80%); and during periods of lesser demand, the power factor of the Municipality's demand from this source of power supply may be the same as, but not less, than the average power factor of the Municipality's whole system load; provided that the reactive kilovolt amperes do not exceed the reactive kilovolt amperes of the Municipality's demand during its maximum demand conditions at eighty per cent (80%) power factor; and providing, further, that the Municipality shall at all times during the period of this contract use due diligence in conformity with generally accepted practice to maintain the power factor of its electric system as nearly unity as practicable.

PROVISION FOR MEASURING DEMAND AND COMPENSATION FOR OVERDRAFT

(12) The Municipality's maximum demand in kilowatts from this source of power supply shall be determined by measuring the maximum average kilowatt demand occurring in any thirty-minute interval, measured at or reduced to the central receiving station of the transmission line. Should the demand in kilowatts taken by the Municipality at the point of delivery with correction allowed for losses to the said central receiving station, due to unforeseen operating or emergency condition, exceed the transmission capacity contracted for by the Municipality within the convenient ability of said standby and regulating plant to supply such excess demand, then, compensation equal to the extra cost of operating the standby and regulating plant on account of such overdraft shall be made to the City in connection with the next succeeding regular monthly payment by the Municipality under this contract; provided that no such overdraft may be allowed in such unforeseen or emergency operating condition unless the Municipality in connection with any other source of power required and provided in addition to this source to meet

its demands shall have provided corresponding standby and regulating capacity of at least an amount in like proportion as the standby and regulating plant of this source bears to the operating capacity of the transmission line.

OPERATION AND MAINTENANCE COSTS

(13) The reasonable share of the operation and maintenance costs of the transmission line which the Municipality shall pay to the City shall be apportioned on the basis of the Municipality's designated transmission capacity requirement in the same manner as herein provided for determining the Municipality's reasonable share of the construction costs. Payments for operation and maintenance shall be made by the Municipality monthly to the City, in the same manner and at the same time as provided for construction cost payments. "Operation and maintenance" as herein used, shall include any and all expenditures made by the City for the purpose of making replacements.

REPLACEMENT

(14) "Replacement" as used in this contract is understood to mean the setting aside of funds sufficient to make such replacements as may be necessary to keep the transmission line in good operating condition during and until the end of the said 50-year period. At the termination of this contract or any continuation or renewal thereof any moneys advanced by the Municipality remaining in this replacement fund, including accrued interest thereon, shall be returned to the Municipality.

OVERHEAD

(15) The expression "overhead" as used in this contract shall be understood to include general and miscellaneous expenses. Construction, operation and maintenance costs as provided for herein shall include allowance for overhead and general and miscellaneous expenses in accordance with the uniform system of accounts for electrical corporations prescribed by the Railroad Commission of the State of California.

INTEREST RATE

(16) The interest rate to be paid on the unpaid balance by the Municipality to the City shall be the average effective rate of interest paid by the City upon its outstanding bonds and/or other interest bearing indebtedness that necessarily shall be incurred in connection with the financing of the transmission line and its appurtenant works, not, however, exceeding six per cent (6%) per annum.

CREDIT FOR PROVIDING STANDBY AND REGULATING PLANT CAPACITY

(17) Credit, equal to the corresponding portion of the charge for construction, operation and maintenance costs of standby and regulating plant capacity and the necessary transmission capacity connecting between said standby and regulating plant and said central receiving station, shall be given to the Municipality insofar as it may provide a part or the whole of its allotment of standby and regulating plant capacity; provided, however, that the Municipality shall give fifteen (15) months' notice of its intention so to provide a specified part of its portion of standby and regulating plant; and, provided, further, that the standby and regulating plant capacity so provided and operated by the Municipality for which credit shall be given, may be and is operated successfully in conjunction with the standby and regulating plant of the City.

ACCOUNTS AND AUDITS

(18) (a) The City shall keep separate and distinct books of account for all matters covered by this contract as to construction, operation and maintenance costs, including overhead and general miscellaneous expenses, in accordance with the uniform system of accounts for electrical corporations prescribed by the Railroad Commission of the State of California, except as said rules and regulations may be modified by mutual consent of the parties hereto.

(b) The City will select a firm of certified public accountants who shall establish the accounting procedure in accordance with the uniform system of accounts for electrical corporations prescribed by the Railroad Commission of the State of California. Said books of account shall be audited every six (6) months by a firm of certified public accountants to be selected annually by the City, subject to the approval of the Municipality.

TEMPORARY AGREEMENT FOR MUNICIPALITY'S POWER

(19) Should the Municipality not be able to utilize a portion of the electrical energy contracted for by it, the City will take such portion of electrical energy so contracted for but not used by the Municipality for a period of time not exceeding three years following the announcement by the Secretary that energy is available, as provided in Article (11) (a) of the contract between the United States and the Municipality, and compensate the Municipality therefor by a credit on the monthly payments due the City from the Municipality under the provisions of this contract, equal to the cost of the same to the Municipality for falling water and for operation and maintenance expenses of generation at the power plant, together with allowance for amortization of the cost of machinery on a 50-year basis and with proper allowance for losses in transmission. The Municipality may take and use said portion of said electrical energy so contracted for but not used by it at any time. The Munici-

pality, without cost to the City and without affecting the Municipality's obligation herein, will permit the City to use the Municipality's portion of the transmission line capacity during the aforesaid period when the City is taking and using the Municipality's energy in accordance with the provisions of this paragraph.

OPTION TO RENEW

(20) The Municipality shall have the option of continuing its right to have the energy covered by its Contract with the United States generated by the City and transmitted by it over the transmission line after termination of this Contract during the period of time, if any, the City may continue to operate and maintain the necessary generating machinery at the power plant and the transmission line on a basis of the Municipality paying its proportionate share of costs of operation, maintenance and replacements of the generating machinery and of the transmission line on terms and conditions consistent with the then existing laws and the provisions of this contract. If, during the period of this Contract, any substitution is made by the City for the transmission line the Municipality shall likewise have the option to have its aforesaid energy transmitted by said substituted method on a basis of the Municipality, in addition to discharging all its obligations hereunder including payment of the unpaid balance of its share of the construction costs of the original transmission line, if any, less its proportionate share of credit from salvaging said original transmission line or any part thereof, paying its proportionate share of the costs of said substituted equipment, together with its proportionate share of costs of operation, maintenance and replacement on terms and conditions that are consistent with the then existing laws and the provisions of this contract.

FAILURE OF DELIVERY OF MUNICIPALITY'S ENERGY AT CENTRAL RECEIVING POINTS

(21) In case of failure to provide for the transmission and delivery at a receiving station within Los Angeles of the electric energy contracted for with the United States by the Municipality for a period of time immediately following announcement by the Secretary that energy is available, the City will, during such period of time prior to the delivery of such energy, pay the Municipality each month an amount equal to the amount due from the Municipality to the United States under said contract.

TRANSMISSION FROM CENTRAL RECEIVING STATION

(22) The City, at the option of the Municipality, will deliver said electrical energy contracted for by the Municipality from said central receiving station over its local high voltage transmission and distribution system to an agreed location on the City's system adjacent to the Municipality.

In the event said use of the local transmission and distribution system of the City shall be made, payments for compensation to the City for the use of such portion of the total rated capacity of said system as is required by said Municipality shall be based on a charge per kilowatt hour covering the City's construction, operation and maintenance costs for said proportionate part, and shall be made monthly by the Municipality to the City in the same manner and at the same time as provided for in this contract for other payments to the City.

MEASUREMENT OF ENERGY

(23) All energy shall be measured at the central receiving station as delivered to the low tension bus bars by means of suitable metering equipment provided and installed by the City for this purpose. Suitable correction shall be made in the amount of energy so measured on thes low tension bus bars to cover transmission line and transformer losses in determining the amount of energy delivered at transmission voltage as provided for in the agreement and supplemental agreements between the City and the United States referred to in Section (4) hereof. The Municipality shall share in the expense of maintaining and testing said meter equipment in the same proportion as herein provided for determining the Municipality's reasonable share of the construction, operation and maintenance costs of the transmission line.

The City will install, at the Municipality's expense, suitable metering equipment for the purpose of measuring the energy delivered to the Municipality from the City at its agreed delivery point. Suitable correction shall be made in the amounts of energy and its power factor so measured at this delivery point to cover transmission and, in case of transformation, transformer losses, in determining the amounts of energy delivered to the Municipality and the power factor of such delivery at the low tension bus bars of the central receiving station. The said metering equipment shall be maintained and tested by the City at the expense of the Municipality.

Meters shall be tested at any reasonable time upon request by either the City or Municipality, and in any event they shall be tested at least once each year. If the test discloses that the error of any meter exceeds one per cent (1%), such meter shall be adjusted so that the error shall not exceed one-half of one per cent (½%). The metering equipments shall be tested by means of suitable testing equipment which shall be provided by the City and which shall be calibrated by the City as often as requested by any party hereto by checking against secondary standards of the United States Bureau of Standards maintained by the City in its testing laboratory. Meters shall be kept sealed and the seals shall be broken only in the presence of the respective representatives of both the City and the Municipality, and likewise all tests of meter equipment shall be conducted only when representatives of both the City and the Municipality are present.

Payments for all obligations of the Municipality accruing under the provisions of this paragraph shall be due and payable on the twentieth of the month succeeding the installation of equipment or the performance of the service provided for herein.

PENALTIES

(24) If any charge or payments provided for herein are not paid by the Municipality when due, and at the times and in the manner provided for herein, a penalty of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional penalty of one per centum (1%) of the amount unpaid shall be added on the twenty-first day of each calendar month thereafter during such delinquency.

DISPUTES AND DISAGREEMENTS

(25) Disputes or disagreements arising under this contract between the Municipality and the City shall be arbitrated by three arbitrators, except where otherwise provided in this contract. The Municipality shall name one arbitrator, and the City shall name one. These two shall name the third. If either disputant has notified the other that arbitration is demanded and that it has named an arbitrator, and if thereafter the other disputant fails to name an arbitrator for fifteen days, the Secretary of the Interior, if requested by either disputant, shall name such arbitrator, who shall proceed as though named by the disputant. The two arbitrators so named shall meet within five days after appointment of the second, and name the third. If they fail to do so, the Secretary will, on request by either disputant or arbitrator, name the third. A decision by any two of the three arbitrators shall be binding on the disputants and enforceable by court proceedings in accordance with the provisions of the then existing law or by the Secretary in his discretion. Arbitration as herein provided, or the failure of the arbitrators to render a decision within six months of appointment of the third arbitrator, shall be a condition precedent to suit by either disputant against the other upon the matter in dispute.

TRANSFER OF INTEREST IN CONTRACT

(26) No voluntary transfer of this contract, or of the rights hereunder, shall be made without the written approval of the City acting through its Board of Water and Power Commissioners. Any successor or assign of the rights of either of the parties hereto, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the conditions of the Boulder Canyon Project Act, and also subject to all the provisions and conditions of this contract to the same extent as though such successor or assign

were the original contractor hereunder; provided that a mortgage or trust deed or judicial sale made thereunder shall not be deemed voluntary transfers within the meaning of this section.

TITLE TO REMAIN IN CITY

(27) It is agreed that nothing herein contained shall be construed as conferring upon the Municipality any control of or title in or to said transmission line, as defined herein, appurtenances or incidental works, or any portion thereof, and it is mutually understood that the title to, together with full and complete control of, said transmission line and all appurtenances, incidental works and plants shall forever remain in the City or its nominee or assignee of the same, or any portions thereof. All payments made or to be made by the Municipality pursuant to the provisions of this Contract shall be construed as constituting consideration for the right to the service to be rendered in generating and transmitting energy by the City in accordance with the provisions hereof.

DURATION OF CONTRACT

(28) This Contract shall not become effective for any purpose unless on or before November 16, 1931, two-thirds of the qualified electors of the Municipality, voting at an election to be held for that purpose, shall have assented that the Municipality shall incur the indebtedness and liability provided for herein and shall have ratified the execution hereof. After having become effective this Contract shall remain in effect until the expiration of a period of fifty (50) years from the date at which energy is ready for delivery to the City, as announced by the Secretary.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed the day and year first above written.

THE CITY OF LOS ANGELES, acting by and through its Board of Water and Power Commissioners,

By ARTHUR STRASBURGER, *President.*

Attest:

JAS. P. VROMAN, *Secretary.*

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, by the Board of Water and Power Commissioners,

By ARTHUR STRASBURGER, *President.*

Attest:

JAS. P. VROMAN, *Secretary.*

THE CITY OF PASADENA,

By P. M. WALKER,

Attest:

BESSIE CHAMBERLAIN, *City Clerk.*

EXHIBIT "A"

INCLUDES COMPLETE COPIES OF

CONTRACT FOR LEASE OF POWER PRIVILEGES

OF DATE APRIL 26, 1930,

SUPPLEMENTAL AGREEMENTS OF DATE OF MAY 28, 1930,

AND SEPTEMBER 23, 1931, RESPECTIVELY

BETWEEN

THE UNITED STATES

AND

THE CITY OF LOS ANGELES

AND

SOUTHERN CALIFORNIA EDISON COMPANY, LTD.

[ITEM 38]

BOULDER CANYON PROJECT

CONTRACT FOR ELECTRICAL ENERGY

THE UNITED STATES

AND

THE CITY OF PASADENA

SEPTEMBER 29, 1931

11r-672

(1) THIS CONTRACT, made this 29th day of September, nineteen hundred thirty-one, pursuant to the Act of Congress approved June 17, 1902 (32 Stat., 388), and acts amendatory thereof or supplementary thereto, all of which acts

are commonly known and referred to as the reclamation law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat., 1057), designated the Boulder Canyon Project Act between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by Ray Lyman Wilbur, Secretary of the Interior, hereinafter styled the Secretary, and THE CITY OF PASADENA, a municipal corporation, organized and existing under and by virtue of the Laws of the State of California, hereinafter styled the Municipality:

WITNESSETH:

EXPLANATORY RECITALS

(2) WHEREAS, for the purpose of controlling the floods, improving navigation and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters for reclamation of public lands and other beneficial uses exclusively within the United States, and for the generation of electrical energy, the Secretary, subject to the terms of the Colorado River Compact, is authorized to construct, operate and maintain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon, adequate to create a storage reservoir of a capacity of not less than twenty million acre-feet of water; also to construct, equip, operate and maintain at or near said dam, or cause to be constructed, a complete plant and incidental structures suitable for the fullest economic development of electrical energy from the water discharged from said reservoir; and

(3) WHEREAS, after full consideration of the advantages of both the Black Canyon and Boulder Canyon dam sites, the Secretary has determined upon Black Canyon as the site of the aforesaid dam, hereinafter styled the Hoover Dam, and has determined that the revenues provided for by this contract, together with other contracts in accordance with the provisions of the Boulder Canyon Project Act, are adequate in his judgment to insure payment of all expenses of operation and maintenance of the Hoover Dam and appurtenant works incurred by the United States, and the repayment within fifty (50) years from the date of completion of said works of all amounts advanced to the Colorado River Dam Fund under Subdivision (b) of Section 2 of the Boulder Canyon Project Act, together with interest thereon made reimbursable under said Act; and

(4) WHEREAS, the United States has entered into an agreement of date April 26, 1930, with the City of Los Angeles (hereinafter styled the City) and Southern California Edison Company, Ltd., (hereinafter styled the Company) severally (both hereinafter referred to as the lessees) for the lease, and the operation and maintenance, of a Government-built power plant to be constructed at Hoover Dam, together with the right to generate electrical energy (a copy of which said lease as amended by supplemental agreements of date May 28, 1930, and September 23, 1931, is attached hereto marked

Exhibit "A", and by this reference made a part hereof); and whereas in said lease the Secretary has reserved the authority to, and in consideration of the execution thereof is authorized by each of the aforesaid lessees, severally, to contract with the other allottees named in the allocation set forth therein for the furnishing of energy to such allottees at transmission voltage in accordance with the allocation to each allottee, and the Secretary is therein granted by each lessee, severally, the power in accordance with the provisions thereof to enforce as against each lessee the rights to be acquired by such other allottees by contracts to be entered into with the United States; and whereas in said lease the City has agreed to generate energy allocated to the Municipality; and

(5) WHEREAS, the Municipality is desirous of entering into a contract for the purchase of electrical energy to be generated at the power plant to be leased, as aforesaid, to the City;

(6) NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to-wit:

ALLOCATION OF ELECTRICAL ENERGY

(7) The United States will cause electrical energy to be delivered to the Municipality at Hoover Dam under and in pursuance of and subject to the provisions of the aforesaid lease, attached hereto as Exhibit "A", for a period of fifty (50) years from the date at which energy is ready for delivery to the City, as announced by the Secretary, in accordance with the following allocation, to-wit:

Of Firm Energy, as defined in Article nine (9) hereof:

A. To the State of Nevada, for use in Nevada, not exceeding eighteen per centum (18%) of said total firm energy.

B. To the State of Arizona, for use in Arizona, not exceeding eighteen per centum (18%) of said total firm energy. Should either of the States not take its full eighteen per centum (18%) allocation within a period of twenty (20) years hereof, the other may then contract for the energy not so taken up to four per centum (4%) of the total firm energy, provided that the combined amount used by the two States shall not, at any time, exceed thirty-six per centum (36%) of such total firm energy.

C. To The Metropolitan Water District of Southern California for pumping Colorado River water into and in its aqueduct for the use of such District within the following limits:

(1) Thirty-six per centum (36%) of said total firm energy, plus

(2) All secondary energy developed at the Hoover Dam power plant as provided in Article Fourteen (14) hereof; plus

(3) So much of the firm energy allocated to the States, the City and the Company as may not be in use by them. Energy allocated to the States, but not in use by them, shall be released to the District by the two lessees equally (unless they agree upon a different ratio) as follows:

(a) If the District makes a firm contract with the Secretary for the balance of the lease period for part or all of such unused States energy (subject to the first right of the States thereto) such contract shall be made effective upon two

years' written notice to the Secretary, and compensation to the lessees, respectively, for main transmission line property rendered idle;

(b) If the District does not so make a firm contract for such energy, then energy allocated to the States but not in use by them, shall be released to the District upon not less than fifteen months' written notice to the Secretary and at such compensation as the District and such lessees, respectively, may agree upon, to cover cost and overhead of replacing energy which otherwise would have been received at the Pacific Coast end of the main transmission lines by the lessees, respectively. Such cost shall include interest on and depreciation and operation and maintenance of the plant capacity while required for the generation of such substitute energy; and also appropriate allowance for interest on and maintenance and depreciation of plant capacity rendered idle because of cessation of generation of such substitute energy until such time as such plant capacity would otherwise have been installed by the lessees, respectively, for their own requirements. If the District and the respective lessees fail to agree on such compensation, such energy shall nevertheless be released to the District, and the disagreement shall be determined in accordance with Article twenty-two (22) (a) hereof. Such determination shall include allowance for items of cost and overhead as specified in this paragraph. Pending such determination, energy so released shall be paid for by the District at the rate for firm energy but the determination of compensation under Article twenty-two (22) (a) hereof shall not be controlled by such rate.

During any year beginning June first, the District shall not use any secondary energy or any unused State energy, until it has first used subsequent to June first, next preceding, an amount of firm energy equivalent to one-twelfth of the amount of firm energy it is obligated to take and/or pay for annually multiplied by the number of months elapsed since June first next preceding.

(4) If, due to temporary deficiency in secondary energy regularly used by the District, substitute energy is requested by the District in excess of the energy made available under the foregoing sub-paragraph (3) (b) the City and/or the Company may release so much energy as may be practicable on the same terms as provided in subsection (3) (b) preceding.

D. To the municipalities of Anaheim, Beverly Hills, Burbank, Colton, Fullerton, Glendale, Newport Beach, Pasadena, Riverside, San Bernardino and Santa Ana (referred to herein as "the municipalities"), six per centum (6%) in all, whereof 26.972 per centum (26.972%) of said six per centum (6%), being 1.6183 per centum (1.6183%) of all firm energy, shall be taken and/or paid for by The City of Pasadena.

E. To the City of Los Angeles, thirteen per centum (13%).

F. To Southern California Edison Company Ltd., The Southern Sierras Power Company, the San Diego Consolidated Gas and Electric Company and the Los Angeles Gas and Electric Corporation, referred to herein as the companies, nine per centum (9%) in all, division whereof between the companies shall be made according to mutual agreement among them, if possible. If no such agreement is submitted to the Secretary on or before November 16, 1931, the Secretary shall determine the allocation of each.

It is further agreed that:

(i) So much of the energy allocated to the States (thirty-six per centum (36%) of the firm energy) and not in use by them, or failing their use, by the District for the above purposes, shall be taken and paid for one-half by the City and one-half by the Company.

In addition, all firm energy allocated to the City (thirteen per centum (13%), shall be taken and paid for by the City.

(ii) All of the energy allocated to the municipalities may be contracted for in compliance with regulations of the Secretary, by any one or more of them, on or before November 16, 1931. So much of the energy allocated to the municipalities as is not so contracted for, or if contracted for, not used by them directly or under contract for municipal purposes and/or distribution to their inhabitants, shall be taken and paid for by the City.

(iii) So much of the energy allocated to the Southern Sierras Power Company, the San Diego Consolidated Gas and Electric Company, and the Los Angeles Gas and Electric Corporation as is not firmly contracted for by them, severally, in compliance with regulations of the Secretary on or before November 16, 1931, shall be taken and paid for by the Company.

(iv) If any allottee is permitted by the United States to divert water from the reservoir, at a time when the reservoir is not spilling, in consequence of which the amount of energy which would have been utilized is diminished, such diminution shall be debited to the allocation of firm energy herein made to such allottee; and charge for the energy equivalent of such diversion shall be made, and the amount of energy which the allottee shall otherwise be obligated to take and pay for hereunder shall be correspondingly reduced.

The reservoir shall be considered as spilling whenever water is being discharged in excess of the amount used for the generation of power, whether such waste occurs over the spillway or otherwise.

(v) Each of the States of Arizona and Nevada may, from time to time within the period of the aforesaid lease, contract for energy for use within such State in any amount until the total allocated, respectively, to each is in use as provided above; and may terminate such contract, or contracts, without prejudice to the right to again contract for such energy. All such contracts shall be executed with the Secretary. A contract requiring one thousand (1,000) horsepower (of maximum demand) or less may become effective or be terminated on six months written notice of requirement or termination given the Director by the State; provided, that the notice given shall be two years if in the twelve months preceding said notice of demand the total increment to such State has exceeded five thousand (5000) horsepower of maximum demand or if in the twelve months preceding said notice of termination the decrement to such State has exceeded five thousand (5000) horsepower of maximum demand. In all cases the Director shall immediately transmit such notice to each lessee. Whenever the amount in use is in excess of five thousand (5000) horsepower of maximum demand, the lessees, respectively, shall be compensated for property rendered idle by use of such excess in such amount as the Secretary shall determine to be equitable. Firm energy not contracted for by the States shall be available for use by the District as herein elsewhere provided, and if not in use by the States and/or the District, shall be taken and paid for equally by the two lessees. No right which may be available to a State under section five (5) (c) of the Boulder Canyon Project Act to execute a firm contract for electrical energy for use within the State shall be impaired by any provision of this contract.

Of Secondary Energy

It is further agreed that the District shall have the right to purchase and use all secondary energy as provided in Article nine (9) and Article fourteen (14) hereof for the purposes stated in the first paragraph of subdivision (C) of this Article. The City and the Company shall each have the right to purchase and use one-half of all secondary energy not used by the District. Any such energy not used by one lessee shall be available, for the time being, to the other. If secondary energy is not taken by the District, the City, and/or the Company then and in such event, the United States reserves the

right to take, use and dispose of such energy, from time to time, as it sees fit, giving credit therefor as provided in Article twelve (12) of Exhibit "A" hereof.

Of Firm Energy Allocated to but not Used by the District

It is further agreed that in the event the District shall fail for any reason to use all or any of the firm energy herein allotted to it for the only purpose for which said firm energy is allotted to it, that is, for pumping water into and in its aqueduct, then the Secretary shall dispose of such unused energy until required by the District for said purpose, crediting on the District's obligation the proceeds of such disposition as received; provided, however, that no disposition of such firm energy shall be made by the Secretary without first giving to a successor to the District which may undertake to build or maintain a Colorado River Aqueduct the opportunity to take said firm energy for the same purpose and under the same terms as those to which the District was obligated; and provided further that in the event no such successor takes said firm energy as provided above, then no disposition of such firm energy shall be made by the Secretary without first giving to each lessee the opportunity to contract on equal terms and conditions, to be prescribed by the Secretary, for one-half of such energy, together with such portion of the remainder as the other lessee shall not elect to take.

Of Firm Energy not Hereinbefore Disposed of

It is further agreed that the United States reserves the right, in case the dam which it erects provides a maximum water surface elevation in excess of one thousand two hundred twenty-two (1222) feet above sea level (U. S. Geological Survey Datum), and thereby increases the quantity of firm energy above the quantity of four billion two hundred forty million (4,240,000,000) kilowatt-hours allocated above, to dispose of such increase, but not to exceed ninety million (90,000,000) kilowatt-hours per year (June 1st to May 31st, inclusive), to any municipality or municipalities by firm contract executed with the Secretary on or before November 16, 1931. Such disposition shall be without prejudice to any provision of this contract or of the allocation above referred to. So much of such additional energy as is not so contracted for shall be taken and paid for by the City. Generation of such additional energy shall in any event be effected by the City.

USE OF ENERGY

(8) It is agreed that the energy contracted for by the municipality shall be used by it (directly or under contract) for municipal purposes and/or distribution to its inhabitants, and that so much of the energy contracted for by it as is not so used may be temporarily delivered by the United States to the City of Los Angeles, crediting on the municipality's obligation the proceeds of such disposition as received; but nothing herein contained shall relieve the municipality from paying for all firm energy contracted for by it whether said energy is taken by the municipality or not.

FIRM AND SECONDARY ENERGY DEFINED

(9) The amount of firm energy for the first year of operation (June 1 to May 31, inclusive), following the date of the completion of the dam as announced by the Secretary shall be defined as being four billion two hundred forty million (4,240,000,000) kilowatt-hours at transmission voltage. For every subsequent year the amount defined as firm energy shall be decreased

by eight million seven hundred sixty thousand (8,760,000) kilowatt-hours from that of the previous year.

Nevertheless, if it be determined by the Secretary that the rate of decrease of kilowatt-hours per year as above stated, is not in accord with actual conditions, the Secretary reserves the right to fix a lesser rate for any year (June 1st to May 31st, inclusive), in advance.

If, by reason of international obligations arising through treaty or otherwise subsequent to the effective date of this contract, or by reason of interference with the program of construction and/or operation of the dam as provided for and contemplated by this contract, or by reason of other contingencies not now foreseen, the amount of firm energy available through the release of water from the Boulder Canyon Reservoir shall in fact be less than the amount of firm energy as above defined, then in any such event the obligation of the Municipality to take electrical energy shall be reduced in an amount corresponding to such change. If for any reason the United States shall be wholly unable to fulfill its obligations hereunder in respect of the delivery of water, then the Municipality may terminate this contract.

If the dam erected by the United States provides a maximum water surface elevation in excess of 1,222 feet above sea level (U. S. Geological Survey Datum), the United States reserves the right to dispose of additional firm energy thereby made available, not to exceed ninety million (90,000,000) kilowatt-hours per year, subject to pro rata of the eight million seven hundred sixty thousand (8,760,000) kilowatt-hours annual diminution above provided for.

The term "secondary energy" wherever used herein shall mean all electrical energy generated in one year (June 1st to May 31st, inclusive), in excess of the amount of firm energy as hereinabove defined, available in such year.

GENERATING AGENCIES

(10) In accordance with designation heretofore made by the Secretary, generation of energy allocated to the Municipality shall be effected by the City, as agreed in Exhibit "A" annexed.

Disputes and disagreements between the Municipality and the City generating energy for it, with respect to such generation, and/or the cost thereof, shall be determined by the Secretary.

DELIVERY OF ELECTRICAL ENERGY

(11) (a) Energy shall be ready for delivery to the City and to the municipalities including those contracting under the last paragraph of Article seven (7) hereof when the Secretary announces that one billion, two hundred fifty million (1,250,000,000) kilowatt-hours of energy per year is ready for delivery.

(b) Energy shall be ready for delivery to the District when the Secretary announces that two billion (2,000,000) kilowatt-hours of energy per year is available, which date, however, shall not be sooner than one (1) year after energy is ready for delivery to the City, provided, however, that the time when energy is ready for delivery to the District may be advanced subject to the approval of the Secretary, should the District so request, and that in such case the City shall be compensated by the District for interest and depreciation on and maintenance and operation of its main transmission line in case the total energy available to the City is reduced below one billion two hundred fifty million (1,250,000,000) kilowatt-hours per annum, in the proportion that such kilowatt-hours available to the City is less than one billion two hundred fifty million (1,250,000,000).

(c) Energy shall be ready for delivery to the Company when the Secretary announces that water capable of generating four billion two hundred forty million (4,240,000,000) kilowatt-hours of energy per year is available, which data, however, shall not be sooner than three (3) years after commencement of delivery of energy to the City and which shall not be until the water surface in Boulder Canyon Reservoir on August first immediately preceding has reached an elevation of eleven hundred fifty (1,150) feet above sea level (U. S. Geological Survey datum).

(d) Upon written notification from the Secretary that generation equipment is ready for operation by it and water is available for generating energy therefrom, each lessee will be required to assume the operation and maintenance of its respective portion of the power plant, and thereafter the Municipality shall not look to the United States for compensation for injury and/or damages of any kind which may in any manner arise out of the operation and maintenance of the portion of such plant leased to the City.

CHARGES TO BE PAID THE UNITED STATES

(12) In consideration of this contract, the Municipality agrees:

(1) To pay the United States for the use of falling water for generation of energy for the Municipality as follows:

(a) One and sixty-three hundredths mills ($0.00163) per kilowatt-hour (delivered at transmission voltage) for all firm energy contracted for by it;

(2) To pay the United States, for credit to the City, on account of use of the leased equipment as herein elsewhere provided; and

(3) To pay the United States, for credit to the City, on account of maintenance of said equipment in first class operating condition, including repairs to and replacements of machinery; provided, however, that, if the expenditures for replacements shall exceed at any time the sum accumulated by the City as a depreciation reserve in accordance with rules and regulations prescribed by the Secretary, pursuant to the Boulder Canyon Project Act, less all amounts previously withdrawn for replacements, then the rates aforesaid shall be readjusted as hereinafter provided so as to reimburse the City for such excess expenditures within the term of this contract.

At the end of fifteen (15) years from the date of execution of said Exhibit "A" (April 26, 1930), and every ten (10) years thereafter, the above rates of payment for energy shall be readjusted upon demand of either party hereto, either upward or downward as to price, as the Secretary may find to be justified by competitive conditions at distributing points or competitive centers.

The rate for falling water for generation of firm energy which shall be uniform for both lessees and the Municipality provided for by any such readjustment shall be arrived at by deducting from the price of electrical energy justified by competitive conditions at distributing points or competitive centers: (1) All fixed and operating costs of transmission to such points; (2) all fixed and operating costs of such portion of the power plant machinery as is to be operated and maintained by the several lessees, including the cost of repairs and replacements, together with such readjustment as to replacements as is provided for in paragraph 3 in this Article; it being understood that such readjusted rates shall under no circumstances exceed the value of said energy, based upon competitive conditions at distributing points or competitive centers.

The charges agreed to be paid by the Municipality to the United States, for credit to the City as generating agency, in this Article, shall be such proportion of the cost incurred by such generating agency as it and the City may agree, or failing such agreement, as the Secretary may determine.

The term "cost," as used with reference to generating energy, shall include a proper proportionate allowance for amortization for the cost of machinery and equipment as provided in Paragraph a of Article 9 of Exhibit A hereof, and interest on the prepayments thereof made by the City, a proper proportionate part of any annuity set-up in accordance with regulations of the Secretary provided for in Subdivision 3 of Article Sixteen (16) of Exhibit "A" hereof, and any additional expenditures made by the City with the approval of the Secretary, for the purpose of meeting the obligation of the City to make replacements; and a proper proportionate part of the actual outlay of the City for operating such machinery and equipment and keeping the same in repair, including reasonable overhead charges. The extent of the allowance for the several items in the event of disagreement between the City and Municipality, and the system of accounting therefor, shall be prescribed by the Secretary under uniform regulations as required by Section 6 of the Boulder Canyon Project Act.

MONTHLY PAYMENTS AND PENALTIES

(13) The Municipality shall pay monthly for energy in accordance with the rates estiblished or provided for herein, and for the generation thereof as provided in Article twelve (12).

When energy taken in any month is not in excess of one-twelfth (1/12) of the minimum annual obligation, bill for such month shall be computed at the rate for firm energy in effect when such energy was taken on the basis of the actual amount of energy used during such month, provided, however, that

the bill for the month of May shall not be less than the difference between the minimum annual payment, as provided in Article fourteen (14) hereof, and the sum of the amounts charged for firm energy during the preceding eleven months. The United States will submit bills to the Municipality by the fifth of each month immediately following the month during which the energy is generated, and payments shall be due on the first day of the month immediately succeeding. If such charges are not paid when due, a penalty of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional penalty of one per centum (1%) of the amount unpaid shall be added on the first day of each calendar month thereafter during such delinquency.

The monthly charge for generation of such energy to be credited to the generating agency shall be in such amount as may be determined in accordance with Article twelve (12) hereof.

MINIMUM ANNUAL PAYMENT

(14) The minimum quantity of firm energy which the Municipality shall take and/or pay for each year (June 1st to May 31st, inclusive), under the terms of this contract, and after the same is ready for delivery to the Municipality, as provided in subdivision (a) of Article eleven (11) hereof, shall be one and six thousand one hundred eight-three ten thousandths per centum (1.6183%) of all firm energy as defined in Article nine (9) hereof, available in said year. The total payments made by the Municipality for firm energy available in any year (June 1st to May 31st, inclusive), whether any energy is taken by it, or not, exclusive of its payments for credit to the generating agency, shall be not less than the number of kilowatt-hours of firm energy which the Municipality is obligated to take and/or pay for during said year, multiplied by one and sixty-three hundredths mills ($0.00163), or multiplied by the adjusted rate of payment for firm energy in case the said rate is adjusted as provided in Article twelve (12) hereof. For a fractional year at the beginning or end of the contract period, the minimum annual payment for firm energy shall be proportionately adjusted in the ratio that the number of days water is available for generation of energy in such fractional year bears to three hundred sixty-five (365). Provided, that the minimum annual payment shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article seventeen (17) hereof.

The minimum annual payments made by the Municipality for generation of such energy, to be credited to the generating agency, shall be determined in accordance with Article twelve (12) hereof.

NO ENERGY TO BE DELIVERED WITHOUT PAYMENT

(15) Unless the written consent of the Secretary be first obtained, no electrical energy shall be generated for, or delivered to, the Municipality if it

shall be in arrears for more than twelve (12) months in the payment of any charge and/or penalty due or to become due the United States hereunder, whether for its own use or for credit to the generating agency.

CONTRACT MAY BE TERMINATED IN CASE OF BREACH

(16) If the Municipality shall be in arrears for more than twelve (12) months in the payment of any charge and/or penalty due or to become due to the United States hereunder, and shall not have obtained an extension of time for payment thereof, or, if such extension be obtained, has not made such payment within the time as extended, then the Secretary reserves the right forthwith upon written notice to the Municipality to terminate this contract and dispose of the energy herein allocated as he may see fit; provided, he shall first give opportunity to the City to contract on terms and conditions to be prescribed by the Secretary, for such energy, and provided further, that such disposition shall be subject to the condition that the Municipality shall have the right at any time within ten (10) years from date of the first of the defaults or breaches for which the contract is terminated, to become reinstated hereunder by payment to the United States of all arrearages and penalties, if any, together with any and all loss incurred by the United States by reason of such termination, and compensation to the contractor or contractors for equipment rendered idle by such reinstatement. In case of disagreement or dispute as to any of the items so to be paid the same shall be determined as provided in Article 22 hereof. Nothing contained in this contract shall relieve the Municipality from the obligation to make the United States whole, for the period of this contract, for all loss and/or damage occasioned by the failure of the Municipality to take and/or pay for energy as provided in this contract. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any other provisions hereof, or of a subsequent breach of such provision.

INTERRUPTIONS IN DELIVERY OF WATER

(17) The United States will deliver water continuously to each lessee in the quantity, in the manner, and at the times necessary for the generation of the energy which each of said lessees has the right and/or obligation to generate under this contract in accordance with the load requirements of each of said lessees, and of allottees for which the respective lessees are generating agencies, excepting only that such delivery shall be regulated so as not to interfere with the necessary use of said Hoover Dam and Boulder Canyon Reservoir for river regulation, improvement of navigation, flood control, irrigation, or domestic uses, and the satisfaction of present perfected rights in or to the waters of the Colorado River, or its tributaries, in pursuance of Article VIII of the Colorado River Compact, and this contract is made upon the express

condition, and with the express covenant, that the rights of the Municipality to the waters of the Colorado River, or its tributaries, are subject to, and controlled by, the Colorado River Compact. The United States reserves the right temporarily to discontinue or reduce the delivery of water for the generation of energy at any time for the purpose of maintenance, repairs and/or replacements, or installation of equipment, and for investigations and inspections necessary thereto; provided, however, that the United States shall except in case of emergency give to the lessees reasonable notice in advance of such temporary discontinuance or reduction, and that the United States shall make such inspections and perform such maintenance and repair work after consultation with the lessees at such times and in such manner as will cause the least inconvenience to the lessees, and shall prosecute such work with diligence, and, without unnecessary delay, will resume delivery of water so discontinued or reduced. Should the delivery of water be discontinued or reduced below the amount required for the normal generation of firm energy for the payment of which said Municipality has hereby obligated itself, the total number of hours of such discontinuance or reduction in any year shall be determined by taking the sum of the number of hours during which the delivery of water is totally discontinued, and the product of the number of hours during which the delivery of water is partially reduced and the percentage of said partial reduction below the actual quantity of water required by the lessees, severally, for the normal generation of firm energy. Total or partial reductions in delivery of water which do not reduce the power output below the amount required at the time by such lessee for the normal generation of firm energy, will not be considered in determining the total hours of discontinuance in any year. The minimum annual payment specified in Article fourteen (14) hereof shall be reduced by the ratio that the total number of hours of such discontinuance bears to eight thouand seven hundred sixty (8,760). In no event shall any liability accrue against the United States, its officers, agents and/or employees, for any damage, direct or indirect, arising on account of drought, hostile diversion, Act of God, or of the public enemy, or other similar cause; nevertheless interruptions in delivery of water occasioned by such causes shall be governed as hereinabove provided in this article.

MEASUREMENT OF ENERGY

(18) All energy shall be measured at generator voltage and suitable metering equipment shall be provided and installed by the United States for this purpose. Suitable correction shall be made in the amounts of energy as measured at generator voltage to cover step-up transformer losses and energy required for operation of station auxiliaries, in determining the amounts of energy delivered at transmission voltage as provided in this contract. The said meter equipment shall be maintained by and at the expense of the respective lessees.

Meters shall be tested at any reasonable time upon the request of either the United States or a lessee, and in any event they shall be tested at least once each year. If the test discloses that the error of any meter exceeds one per centum (1%), such meter shall be adjusted so that the error does not exceed one-half of one per centum (½%). Meter equipment shall be tested by means of suitable testing equipment which will be provided by the United States, and which shall be calibrated by the United States Bureau of Standards as often as requested by any party hereto. Meters shall be kept sealed, and the seals shall be broken only in the presence of representatives of both the United States and the lessees respectively and likewise all test of meter equipment shall be conducted only when representatives of both the United States and the respective lessees are present. In the event that energy furnished to the Municipality at Boulder Canyon is transmitted over lines of another contractor, the meters at Boulder Canyon will record only the total amounts of energy delivered to the operators of main transmission lines and it will not be possible to determine from these meters the division of the energy between the various Municipalities and the operator. The Municipality or the operator of said lines shall provide suitable meter equipment, satisfactory to the Secretary, at the point where the energy is delivered by the operator of said lines to the Municipality, for determining the amounts of energy delivered to the Municipality at said point and to these amounts there shall be added proper corrections to cover transformer and line losses in determining the amounts of energy furnished to the Municipality at Boulder Canyon. The Secretary's determination of said amounts shall be conclusive.

INSPECTION BY THE UNITED STATES

(19) The Secretary or his representatives shall have free access at all reasonable times to the boks and records of the Municipality relating to the disposal of electrical energy, with the right at any time during office hours to make copies of or from the same.

TRANSMISSION

(20) The City having, in Article twenty-five (25) of Exhibit A hereof undertaken that it shall construct, operate and maintain at cost, including allowance for necessary overhead expense, the main transmission lines required for transmitting all Boulder Canyon energy allocated to the Municipality to the receiving station at the Pacific Coast end of the City's main transmission lines, the Municipality agrees to pay its pro rata of the cost of construction, operation and maintenance of said lines as it and the City may agree, and the Secretary will, when notified by the City that arrangements to that effect have been concluded by the City and Municipality, cause delivery of energy at transmission voltage to be made accordingly. In the event that an operator of main trans-

mission lines other than the City transmits the energy allocated to the Municipality pursuant to Exhibit "A," Article 25 (b), the obligation of the Municipality under this paragraph shall apply for the benefit of such other operator as though it has been named herein instead of the City. In any event, disputes and disagreements between the Municipality and the operator of main transmission lines shall be determined in accordance with Article 22 (a) hereof. Nothing herein contained, however, shall relieve the Municipality of the obligation to pay the United States for energy contracted for by it, whether transmitted or not.

DURATION OF CONTRACT

(21) This contract shall not become effective for any purpose unless on or before November 16, 1931, two-thirds of the qualified electors of the Municipality voting at an election to be held for that purpose, have assented that the Municipality shall incur the indebtedness and liability of this contract, and make provision for the collection of an annual tax sufficient to pay to the United States each year the minimum annual obligation of the Municipality under this contract, or any portion thereof not paid from other sources. After having become effective this contract shall remain in effect until the expiration of a period of fifty (50) years from the date at which energy is ready for delivery to the City, as announced by the Secretary. The holder of any contract for electrical energy, including the Municipality, not in default thereunder, shall be entitled to a renewal thereof upon such terms and conditions as may be authorized or required under the then existing laws and regulations, unless the property of such holder dependent for its usefulness on a continuation of the contract be purchased or acquired and such contractor be compensated for damages to its property, used and useful in the transmission and distribution of such electrical energy and not taken, resulting from the termination of the supply.

DISPUTES AND DISAGREEMENTS

(22) (a) Disputes or disagreements arising under this contract between the Municipality and any lessee or other allottee shall be arbitrated by three arbitrators, except where otherwise provided in this contract. The Municipality shall name one arbitrator, and the other disputant shall name one. These two shall name the third. If either disputant has notified the other that arbitration is demanded and that it has named an arbitrator, and if hereafter the other disputant fails to name an arbitrator for fifteen days, the Secretary, if requested by either disputant shall name such arbitrator, who shall proceed as though named by the disputant. The two arbitrators so named shall meet within five days after appointment of the second, and name the third. If they fail to do so, the Secretary will, on request by either disputant or arbitrator, name the third. A decision by any two of the three arbitrators shall be binding on the dispu-

tants and enforceable by court proceedings or by the Secretary in his discretion. Arbitration as herein provided, or the failure of the arbitrators to render a decision within six months of appointment of the third arbitrator, shall be a condition precedent to suit by either disputant against the other upon the matter in dispute.

(b) Disputes or disagreements between the United States and the Municipality as to the interpretation or performance of the provisions of this contract shall be determined either by arbitration or court proceedings, the Secretary of the Interior being authorized to act for the United States in such proceedings. Whenever a controversy arises out of this contract, and the disputants agree to submit the matter to arbitration, the Municipality shall name one arbitrator and the Secretary shall name one arbitrator, and the two arbitrators thus chosen shall elect three other arbitrators, but in the event of their failure to name all or any of the three arbitrators within five (5) days after their first meeting, such arbitrators, not so elected, shall be named by the Senior Judge of the United States Circuit Court of Appeals for the Ninth Circuit. The decision of any three of such arbitrators shall be a valid and binding award of the arbitrators.

USE OF PUBLIC AND RESERVED LANDS OF THE UNITED STATES

(23) The use is authorized of such public and reserved lands of the United States as may be necessary or convenient for the construction, operation and maintenance of main transmission lines, to transmit electrical energy generated at Hoover Dam, together with the use of such public and reserved lands of the United States as may be designated by the Secretary, from time to time, for camp sites, residences for employees, warehouses and other uses incident to the operation and maintenance of the power plant and incidental works.

PRIORITY OF CLAIMS OF THE UNITED STATES

(24) Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured, and the Municipality shall exercise all its powers including the power of taxation, and the powers of assessment, levying and collection of taxes of every kind, which the Municipality has or may acquire, for the provision of funds which may become due to the United States under this contract.

TRANSFER OF INTEREST IN CONTRACT

(25) No voluntary transfer of this contract, or of the rights hereunder, shall be made without the written approval of the Secretary; and any successor or assign of the rights of the Municipality, whether by voluntary transfer, judicial sale, forecosurle sale, or otherwise, shall be subject to all the conditions of the Boulder Canyon Project Act and also subject to all the provisions and con-

ditions of this contract to the same extent as though such successor or assign were the original contractor hereunder; provided that, a mortgage or trust deed or judicial sales made thereunder shall not be deemed voluntary transfers within the meaning of this article.

RULES AND REGULATIONS

(26) This contract is subject to such rules and regulations conforming to the Boulder Canyon Project Act as the Secretary may from time to time promulgate; provided, however, that no right of the Municipality hereunder shall be impaired or obligation of the Municipality hereunder, shall be extended thereby; and provided further that opportunity for hearing shall be afforded the Municipality by the Secretary prior to promulgation thereof.

AGREEMENT SUBJECT TO COLORADO RIVER COMPACT

(27) This contract is made upon the express condition and with the express understanding that all rights hereunder shall be subject to and controlled by the Colorado River Compact, being the compact or agreement signed at Santa Fe, New Mexico, November 24, 1922, pursuant to Act of Congress approved August 19, 1921, entitled "An Act to permit a compact or agreement between the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming, respecting the disposition and apportionment of the waters of the Colorado River, and for other purposes," which Compact was approved in Section 13 (a) of the Boulder Canyon Project Act.

CONTINGENT UPON APPROPRIATIONS

(28) This contract is subject to appropriations being made by Congress from year to year of moneys sufficient to do the work provided for herein, and to there being sufficient moneys available in the Colorado River Dam Fund to permit allotments to be made for the performance of such work. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient moneys not being so appropriated or on account of there not being sufficient moneys in the Colorado River Dam fund to permit of said allotments. This agreement is also subject to the condition that if for any other reason construction of Hoover Dam is not prosecuted to completion with reasonable diligence, then and in such even either party hereto may terminate its obligations hereunder upon (1) year's written notice to the other party hereto.

TITLE TO REMAIN IN UNITED STATES

(29) As provided by Section six (6) of the Boulder Canyon Project Act, the title to Hoover Dam, reservoir, plant and incidental works, shall forever remain in the United States.

REMEDIES UNDER CONTRACT NOT EXCLUSIVE

(30) Nothing contained in this contract shall be construed as in any manner abridging, limiting or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have.

MEMBER OF CONGRESS CLAUSE

(31) No Member of or Delegate to Congress or Resident Commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom. Nothing, however, herein contained shall be construed to extend to this contract if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By RAY LYMAN WILBUR,
Secretary of the Interior.

[SEAL]

THE CITY OF PASADENA,
By P. M. WALKER,
Chairman Board of Directors.

Approved as to form:
By HAROLD P. HULS, *City Attorney.*

Attest:
BESSIE CHAMBERLAIN,
City Clerk of the City of Pasadena.

833942—50—28

[ITEM 39]

BOULDER CANYON PROJECT

CONTRACT FOR ELECTRICAL ENERGY

THE UNITED STATES

AND

THE SOUTHERN SIERRAS POWER COMPANY

NOVEMBER 5, 1931

(11r–674)

(1) THIS CONTRACT, made this 5th day of November, nineteen hundred thirty-one, pursuant to the Act of Congress approved June 17, 1902 (32 Stat., 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the reclamation law, and

particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat., 1057), designated the Boulder Canyon Project Act, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by Ray Lyman Wilbur, Secretary of the Interior, hereinafter styled the Secretary, and THE SOUTHERN SIERRAS POWER COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Wyoming, hereinafter styled the Allottee;

WITNESSETH:

EXPLANATORY RECITALS

(2) WHEREAS, for the purpose of controlling the floods, improving navigation and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters for reclamation of public lands and other beneficial uses exclusively within the United States, and for the generation of electrical energy, the Secretary, subject to the terms of the Colorado River Compact, is authorized to construct, operate and maintain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon, adequate to create a storage reservoir of a capacity of not less than twenty million acre-feet of water; also to construct, equip, operate and maintain at or near said dam, or cause to be constructed, a complete plant and incidental structures suitable for the fullest economic development of electrical energy from the water discharged said reservoir and

(3) WHEREAS, after full consideration of the advantages of both the Black Canyon and Boulder Canyon dam sites, the Secretary has determined upon Black Canyon as the site of the aforesaid dam, hereinafter styled the Hoover Dam, and has determined that the revenues provided for by this contract, together with other contracts in accordance with the provisions of the Boulder Canyon Project Act, are adequate in his judgment to insure payment of all expenses of operation and maintenance of the Hoover Dam and appurtenant works incurred by the United States, and the repayment within fifty (50) years from the date of completion of said works of all amounts advanced to the Colorado River Dam Fund under subdivision (b) of Section 2 of the Boulder Canyon Project Act, together with interest thereon made reimbursable under said Act; and

(4) WHEREAS, the United States has entered into an agreement of date April 26, 1930, with the City of Los Angeles (hereinafter styled the City) and Southern California Edison Company Ltd., (hereinafter styled the Company) severally (both hereinafter referred to as the lessees) for the lease, and the operation and maintenance, of a Government-built power plant to be constructed at Hoover Dam, together with the right to generate electrical energy (a copy of which said lease as amended by supplemental agreements of date May 28, 1930, and September 23, 1931, is attached hereto marked Exhibit "A," and by this reference made a part hereof); and whereas in said

lease the Secretary has reserved the authority to, and in consideration of the execution thereof is authorized by each of the aforesaid lessees, severally, to contract with the other allottees named in the allocation set forth therein for the furnishing of energy to such allottees at transmission voltage in accordance with the allocation to each allottee, and the Secretary is therein granted by each lessee, severally, the power in accordance with the provisions thereof to enforce as against each lessee the rights to be acquired by such other allottees by contracts to be entered into with the United States; and whereas in said lease the Company has agreed to generate energy allocated to the Allottee; and

(5) WHEREAS, the Company, the Allottee, Los Angeles Gas and Electric Corporation, and San Diego Consolidated Gas and Electric Company have mutually agreed upon a division of all energy for which the Company is obligated and/or entitled to take under said agreement marked Exhibit "A," on the basis of seventy-five per centum (75%) thereof to the Company, ten per centum (10%) thereof to the Allottee, ten per centum (10%) thereof to Los Angeles Gas and Electric Corporation, and five per centum (5%) thereof to San Diego Consolidated Gas and Electric Company, and the Allottee is desirous of entering into a contract with the United States for the purchase of Electrical energy to be generated at the power plant to be leased, as aforesaid, to the Company;

(6) NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to wit:

ALLOCATION OF ELECTRICAL ENERGY

(7) The United States will cause electrical energy to be delivered to the Allottee under and in pursuance of and subject to the provisions of the aforesaid lease, attached hereto as Exhibit "A," throughout the period during which the Company is obligated or entitled to take energy under said lease, in accordance with the following allocation, to wit:

Of Firm Energy, as defined in article eight (8) hereof:

A. To the State of Nevada, for use in Nevada, not exceeding eighteen per centum (18%) of said total firm energy.

B. To the State of Arizona, for use in Arizona, not exceeding eighteen per centum (18%) of said total firm energy. Should either of the States not take its full eighteen per centum (18%) allocation within a period of twenty (20) years hereof, the other may then contract for the energy not so taken up to four per centum (4%) of the total firm energy, provided that the combined amount used by the two States shall not, at any time, exceed thirty-six per centum (36%) of such total firm energy.

C. To The Metropolitan Water District of Southern California for pumping Colorado River water into and in its aqueduct for the use of such District within the following limits:

(1) Thirty-six per centum (36%) of said total firm energy, plus

(2) All secondary energy developed at the Hoover Dam power plant as provided in article thirteen (13) hereof, plus

(3) So much of the firm energy allocated to the States, the City, the Company, and the Allottee, as may not be used by them. Energy allocated to the States, but not in use by them, shall be released to the district by the two lessees as hereinafter in this subdivision three (3) provided. Unless otherwise agreed upon by said lessees such release shall be made on the basis of one-half by the City, and one-half by the Company and the Allottee collectively; provided, however, that in any such case the Allottee shall release ten per centum (10%) of all energy required to be released by the Company and the Allottee collectively.

(a) If the District makes a firm contract with the Secretary for the balance of the lease period for part or all of such unused States energy (subject to the first right of the States thereto) such contract shall be made ecective upon two years' written notice to the Secretary, and compensation to the lessees, respectively, for main transmission line property rendered idle;

(b) If the District does not so make a firm contract for such energy, then energy allocated to the States but not in use by them, shall be released to the District upon not less than fifteen months' written notice to the Secretary and at such compensation as the District and such lessees, respectively, may agree upon, to cover cost and overhead of replacing energy which otherwise would have been received at the Pacific Coast end of the main transmission lines by the lessees, respectively. Such cost shall include interest on and depreciation and operation and maintenance of the plant capacity while required for the generation of such substitute energy; and also appropriate allowance for interest on and maintenance and depreciation of plant capacity rendered idle because of cessation of generation of such substitute energy until such time as such plant capacity would otherwise have been installed by the lessees, respectively, for their own requirements. If the District and the respective lessees fail to agree on such compensation, such energy shall nevertheless be released to the District, and the disagreement shall be determined in accordance with Article twenty-one (21) (a) hereof. Such determination shall include allowance for items of cost and overhead as specified in this paragraph. Pending such determination, energy so released shall be paid for by the District at the rate for firm energy but the determination of compensation under Article twenty-one (21) (a) hereof shall not be controlled by such rate.

During any year beginning June first, the District shall not use any secondary energy or any unused State energy, until it has first used subsequent to June first, next preceding, an amount of firm energy equivalent to one-twelfth of the amount of firm energy it is obligated to take and/or pay for annually multiplied by the number of months elapsed since June first next preceding.

(4) If, due to temporary deficiency in secondary energy regularly used by the District, substitute energy is requested by the District in excess of the energy made available under the foregoing sub-paragraph (3) (b) the City and/or the Company and/or the Allottee may release so much energy as may be practicable on the same terms as provided in sub-section (3) (b) preceding.

D. To the municipalities of Anaheim, Beverly Hills, Burbank, Colton, Fullerton, Glendale, Newport Beach, Pasadena, Riverside, San Bernardino and Santa Ana (referred to herein as "the municipalities"), six per centum (6%) in all, to be allocated between them as they may agree; but if no agreement is submitted to the Secretary on or before November 16, 1931, the Secretary shall determine the allocation of each.

E. To the City of Los Angeles, thirteen per centum (13%).

F. To Southern California Edison Company Ltd., The Southern Sierras Power Company, the San Diego Consolidated Gas and Electric Company and the Los Angeles Gas and Electric Corporation, referred to herein as the companies, nine per centum

(9%), and nine-tenths of one per centurm (0.9 of 1%) of all firm energy, shall be taken and/or paid for by the Allottee.

It is further agreed that:

(i) So much of the energy allocated to the States (thirty-six per centum (36%) of the firm energy) and not in use by them, or failing their use, by the District for the above purposes, shall be taken and/or paid for one-half by the City, and one-half by the Company and the Allottee collectively, of which said latter one-half ten per centum (10%) shall be taken and/or paid for by the Allottee.

In addition, all firm energy allocated to the City (thirteen per centum (13%) shall be taken and paid for by the City).

(ii) All of the energy allocated to the municipalities may be contracted for in compliance with regulations of the Secretary, by any one or more of them, as they may agree, on or before November 16, 1931. So much of the energy allocated to the municipalities as is not so contracted for, or if contracted for, not used by them directly or under contract for municipal purposes and/or distribution to their inhabitants, shall be taken and paid for by the City.

(iii) So much of the energy allocated to The Southern Sierras Power Company, the San Diego Consolidated Gas and Electric Company and the Los Angeles Gas and Electric Corporation as is not firmly contracted for by them, severally, in compliance with regulations of the Secretary on or before November 16, 1931, shall be taken and paid for by the Company.

(iv) If any allottee is permitted by the United States to divert water from the reservoir, at a time when the reservoir is not spilling, in consequence of which the amount of energy which would have been utilized is diminished, such dimunition shall be debited to the allocation of firm energy herein made to such allottee; and charge for the energy equivalent of such diversion shall be made, and the amount of energy which the Allottee shall otherwise be obligated to take and/or pay for hereunder shall be correspondingly reduced.

The reservoir shall be considered as spilling whenever water is being discharged in excess of the amount used for the generation of power, whether such waste occurs over the spillway or otherwise.

(v) Each of the States of Arizona and Nevada may, from time to time within the period of the aforesaid lease, contract for energy for use within such State in any amount until the total allocated, respectively to each is in use as provided above; and may terminate such contract, or contracts, without prejudice to the right to again contract for such energy. All such contracts shall be executed with the Secretary. A contract requiring one thousand (1,000) horsepower (of maximum demand) or less may become effective or be terminated on six months' written notice of requirement or termination given the Director by the State; provided, that the notice given shall be two years if in the twelve months preceding said notice of demand the total increment to such State has exceeded five thousand (5,000) horsepower of maximum demand or if in the twelve months preceding said notice of termination the decrement to such State has exceeded five thousand (5,000) horsepower of maximum demand. In all cases the Director shall immediately transmit such notice to each lessee. Whenever the amount in use is in excess of five thousand (5,000) horsepower of maximum demand, the lessees, and the Allottee, respectively, shall be compensated for property rendered idle by use of such excess in such amount as the Secretary shall determine to be equitable. Firm energy not contracted for by the States shall be available for use by the District as herein elsewhere provided, and if not in use by the States and/or the District, shall be taken and paid for, one-half by the City, and one-half by the Company and the

Allottee, of which latter one-half the Allottee shall take and/or pay for ten per centum (10%). No right which may be available to a State under Section five (5) (c) of the Boulder Canyon Project Act to execute a firm contract for electrical energy for use within the State shall be impaired by any provision of this contract.

Of Secondary Energy

It is further agreed that the District shall have the right to purchase and use all secondary energy as provided in Article eight (8) and Article thirteen (13) hereof for the purposes stated in the first paragraph of subdivision (C) of this Article. The City shall have the right to purchase and use one-half of all secondary energy not used by the District. The Company and the Allottee shall also have the right to purchase and use one-half of all secondary energy not used by the District, of which said one-half the Allottee shall have the right to purchase and use ten per centum (10%). Any such energy not used by one lessee shall be available, for the time being, to the other lessee; provided, however, that of any such energy available to the Company, the Allottee shall be entitled to purchase and use ten per centum (10%). If secondary energy is not taken by the District, the City, the Company, and/or the Allottee, then and in such event the United States reserves the right to take, use and dispose of such energy, from time to time, as it sees fit, giving credit therefor as provided in article twelve (12) of Exhibit "A" hereof.

Of Firm Energy Allocated to but Not Used by the District

It is further agreed that in the event the District shall fail for any reason to use all or any of the firm energy herein allotted to it for the only purpose for which said firm energy is allotted to it, that is, for pumping water into and in its aqueduct, then the Secretary shall dispose of such unused energy until required by the District for said purpose, crediting on the District's obligation the proceeds of such disposition as received; provided, however, that no disposition of such firm energy shall be made by the Secretary without first giving to a successor to the District which may undertake to build or maintain a Colorado River Aqueduct the opportunity to take said firm energy for the same purpose and under the same terms as those to which the District was obligated; and provided further that in the event no such successor takes said firm energy as provided above, then no disposition of such firm energy shall be made by the Secretary without first giving to the City, the Company and the Allottee the right to contract for such energy on equal terms and conditions to be prescribed by the Secretary. In such case, the City shall have the right to contract for one-half of such energy, together with such portion of the remainder as the Company and the Allottee shall not elect to take, and the Company and the Allottee shall have the right to contract for one-half of such energy, together with such portion of the remainder as the City shall not elect to take; provided, that of the amount of such energy which the Company and the Allottee jointly shall be entitled to take hereunder, the Allottee shall have the right to contract for ten per centum (10%).

Of Firm Energy Not Hereinbefore Disposed of

It is further agreed that the United States reserves the right, in case the dam which it erects provides a maximum water surface elevation in excess of one thousand two hundred twenty-two (1,222) feet above sea level (U.S. Geological Survey Datum), and thereby increases the quantity of firm energy above the quantity of four billion two hundred forty million (4,240,000,000) kilowatt-hours allocated above, to dispose of such increase, but not to exceed ninety million (90,000,000) kilowatt hours per year (June 1st to May 31st, inclusive), to any municipality or municipalities by firm contract executed with the Secretary on or before November 16, 1931. Such disposition shall be without prejudice to any provision of this contract or of the allocation above referred to. So much of such additional energy as is not so contracted for shall

be taken and paid for by the City. Generation of such additional energy shall in any event be effected by the City.

FIRM AND SECONDARY ENERGY DEFINED

(8) The amount of firm energy for the first year of operation (June 1 to May 31, inclusive), following the date of the completion of the dam as announced by the Secretary shall be defined as being four billion two hundred forty million (4,240,000,000) kilowatt-hours at transmission voltage. For every subsequent year the amount defined as firm energy shall be decreased by eight million seven hundred sixty thousand (8,760,000) kilowatt-hours from that of the previous year.

Nevertheless, if it be determined by the Secretary that the rate of decrease of kilowatt-hours per year as above stated, is not in accord with actual conditions, the Secretary reserves the right to fix a lesser rate for any year (June 1st to May 31st, inclusive), in advance.

If, by reason of international obligations arising through treaty or otherwise subsequent to the effective date of this contract, or by reason of interference with the progress of construction and/or operation of the dam as provided for and contemplated by this contract, or by reason of other contingencies not now forseen, the amount of firm energy available through the release of water from the Boulder Canyon Reservoir shall in fact be less than the amount of firm energy as above defined, then in any such event the obligation of the Allottee to take electrical energy shall be reduced in an amount corresponding to such change. If for any reason the United States shall be wholly unable to fulfill its obligations hereunder in respect of the delivery of water, then the Allottee may terminate this contract.

If the dam erected by the United States provides a maximum water surface elevation in excess of 1,222 feet above sea level (U. S. Geological Survey Datum), the United States reserves the right to dispose of additional firm energy thereby made available, not to exceed ninety million (90,000,000) kilowatt-hours per year, subject to pro rata of the eight million seven hundred sixty thousand (8,760,000) kilowatt-hours annual diminution above provided for.

The term "secondary energy" whenever used herein shall mean all electrical energy generated in one year (June 1st to May 31st, inclusive), in excess of the amount of firm energy as hereinabove defined, available in such year.

GENERATING AGENCIES

(9) In accordance with designation heretofore made by the Secretary, generation of energy allocated to the Allottee shall be effected by the Company as agreed in Exhibit "A" annexed.

Disputes and disagreements between the Allottee and the Company generat-

ing energy for it, with respect to such generation, and/or the cost thereof, shall be determined by the Secretary unless otherwise specifically provided in this contract.

DELIVERY OF ELECTRICAL ENERGY

(10) (a) Energy shall be ready for delivery to the City and to the municipalities including those contracting under the last paragraph of Article seven (7) hereof when the Secretary announces that one billion two hundred fifty million (1,250,000,000) kilowatt-hours of energy per year is ready for delivery.

(b) Energy shall be ready for delivery to the District when the Secretary announces that two billion (2,000,000,000) kilowatt-hours of energy per year is available, which date, however, shall not be sooner than one (1) year after energy is ready for delivery to the City, provided, however, that the time when energy is ready for delivery to the District may be advanced subject to the approval of the Secretary, should the District so request, and that in such case the City shall be compensated by the District for interest and depreciation on and maintenance and operation of its main transmission line in case the total energy available to the City is reduced below one billion two hundred fifty million (1,250,000,000) kilowatt-hours per annum, in the proportion that such kilowatt-hours available to the City is less than one billion two hundred fifty million (1,250,000,000).

(c) Energy shall be ready for delivery to the Company and to the Allottee when the Secretary announces that water capable of generating four billion two hundred forty million (4,240,000,000) kilowatt-hours of energy per year is available, which date, however, shall not be sooner than three (3) years after commencement of delivery of energy to the City and which shall not be until the water surface in Boulder Canyon Reservoir on August first immediately preceding has reached an elevation of eleven hundred fifty (1,150) feet above sea level (U. S. Geological Survey Datum); provided, however, that the Secretary may require the Company and the Allottee to assume their obligations to take and/or pay for Boulder Canyon energy in accordance with the provisions of this contract on the first day of the calendar month next following the date when the Company's system maximum demand in kilowatts is equal to or greater than it was at any time during the twelve month period immediately preceding the date when the City commences to obtain energy from Boulder Canyon power plant. "Maximum demand," as used in the sentence next preceding, shall be defined as the average of the five largest half-hourly peaks during any single month, after deducting therefrom the amount of kilowatts the Company may be temporarily carrying for any purpose other than supplying its own normal load.

(d) Upon written notification from the Secretary that generation equipment is ready for operation by it and water is available for generating energy

therefrom, each lessee will be required to assume the operation and maintenance of its respective portion of the power plant, and thereafter the Allottee shall not look to the United States for compensation for injury and/or damages of any kind which may in any manner arise out of the operation and maintenance of the portion of such plant leased to the Company.

CHARGES TO BE PAID THE UNITED STATES

In consideration of this contract, the Allottee agrees:

(1) To pay the United States for the use of falling water for generation of energy for the Allottee as follows:

(a) One and sixty-three hundredths mills ($0.00163) per kilowatt-hour (delivered at transmission voltage) for all firm energy allocated to it;

(b) One-half mill ($0.0005) per kilowatt-hour (delivered at transmission voltage) for secondary energy;

(2) To pay the United States, for credit to the Company, on account of the use of the leased equipment as herein elsewhere provided; and

(3) To pay the United States, for credit to the Company, on account of maintenance of said equipment in first class operating condition, including repairs to and replacements of machinery; provided, however, that, if the expenditures for replacements shall exceed at any time the sum accumulated by the Company as a depreciation reserve in accordance with rules and regulations prescribed by the Secretary, pursuant to the Boulder Canyon Project Act, less all amounts previously withdrawn for replacements, then the rates aforesaid shall be readjusted as hereinafter provided so as to reimburse the Company for such excess expenditures within the term of this contract.

At the end of fifteen (15) years from the date of execution of said Exhibit "A" (April 26, 1930) and every ten (10) years thereafter, the above rates of payment for energy shall be readjusted upon demand of either party hereto, either upward or downward as to price, as the Secretary may find to be justified by competitive conditions at distributing points or competitive centers.

The rate for falling water for generation of firm energy, which shall be uniform for both lessees and the Allottee, provided for by any such readjustment shall be arrived at by deducting from the price of electrical energy justified by competitive conditions at distributing points or competitive centers—(1) all fixed and operating costs of transmission to such points—(2) all fixed and operating costs of such portion of the power plant machinery as is to be operated and maintained by the several lessees, including the cost of repairs and replacements, together with such readjustment as to replacements as is provided for in paragraph 3 in this Article; it being understood that such readjusted rates shall under no circumstances exceed the value of said energy, based upon competitive conditions at distributing points or competitive centers.

The charges agreed to be paid by the Allottee to the United States, for

credit to the Company as generating agency, in this Article, shall be such proportion of the cost incurred by such generating agency as the generating agency and the Allottee may agree, or failing such agreement, as the Secretary may determine.

The term "cost," as used with reference to generating energy, shall include a proper proportionate allowance for amortization for the cost of machinery and equipment as provided in Paragraph (a) of Article 9 of Exhibit "A" hereof, and interest on the prepayments thereof made by the Company, a proper proportionate part of any annuity set-up in accordance with regulations of the Secretary provided for in Subdivision 3 of Article sixteen (16) of Exhibit "A" hereof, and any additional expenditures made by the Company with the approval of the Secretary, for the purpose of meeting the obligation of the Company to make replacements; and a proper proportionate part of the actual outlay of the Company for operating such machinery and equipment and keeping the same in repair, including reasonable overhead charges. The extent of the allowance for the several items in the event of disagreement between the Company and the Allottee, and the system of accounting therefor, shall be prescribed by the Secretary under uniform regulations as required by Section 6 of the Boulder Canyon Project Act.

MONTHLY PAYMENTS AND PENALTIES

(12) The Allottee shall pay monthly for energy in accordance with the rates established or provided for herein, and for the generation thereof as provided in Article eleven (11).

When energy taken in any month is not in excess of one-twelfth (1/12) of the minimum annual obligation, bill for such month shall be computed at the rate for firm energy in effect when such energy was taken on the basis of the actual amount of energy used during such month. All energy used during any month in excess of one-twelfth (1/12) of the minimum annual obligation shall be paid for at the rate for secondary energy in effect when such energy was taken; provided, however, that the secondary rate shall not apply to any energy taken during any month unless and until an amount of energy equivalent to one-twelfth (1/12) of the minimum annual obligation has been taken for all months beginning with the month of June immediately preceding; provided, however, that the bill for the month of May shall not be less than the difference between the minimum annual payment, as provided in Article thirteen (13) hereof, and the sum of the amounts charged for firm energy during the preceding eleven months. The United States will submit bills to the Allottee by the fifth of each month immediately following the month during which the energy is generated, and payments shall be due on the first day of the month immediately succeeding. If such charges are not paid when due, a penalty of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional penalty of one per centum

(1%) of the amount unpaid shall be added on the first day of each calendar month thereafter during such delinquency.

The monthly charge for generation of such energy to be credited to the generating agency shall be in such amount as may be determined in accordance with Article eleven (11) hereof.

MINIMUM ANNUAL PAYMENT

(13) The minimum quantity of firm energy which the Allottee shall take and/or pay for each year (June 1st to May 31st, inclusive), under the terms of this contract, and after the same is ready for delivery to the Company, as provided in subdivision (c) of Article ten (10) hereof, shall be two and seven-tenths per centum (2.7%) of all firm energy as defined in Article eight (8) hereof, available in said year, except as reduced by ten per centum (10%) of one-half of amounts of firm energy allocated to the states of Arizona and Nevada, and contracted for by those states, or others, as provided in Article fourteen (14) of said contract marked Exhibit "A." The total payments made by the Allottee for firm energy available in any year (June 1st to May 31st, inclusive), whether any energy is taken by it or not, exclusive of its payments for credit to the generating agency, shall be not less than the number of kilowatt-hours of firm energy which the Allottee is obligated to take and/or pay for during said year, multiplied by one and sixty-three hundredths mills ($0.00163), or multiplied by the adjusted rate of payment for firm energy in case the said rate is adjusted as provided in Article eleven (11) hereof. For a fractional year at the beginning or end of the contract period, the minimum annual payment for firm energy shall be proportionately adjusted in the ratio that the number of days water is available for generation of energy in such fractional year bears to three hundred sixty-five (365). Provided, that the minimum annual payment shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article sixteen (16) hereof.

The minimum annual payments made by the Allottee for generation of such energy, to be credited to the generating agency, shall be determined in accordance with Article eleven (11) hereof.

NO ENERGY TO BE DELIVERED WITHOUT PAYMENT

(14) Unless the written consent of the Secretary be first obtained, no electrical energy shall be generated for, or delivered to, the Allottee if it shall be in arrears for more than twelve (12) month in the payment of any charge and/or penalty due or to become due the United States hereunder, whether for its own use or for credit to the generating agency.

CONTRACT MAY BE TERMINATED IN CASE OF BREECH

(15) If the Allottee shall be in arrears for more than twelve (12) months in the payment of any charge and/or penalty due or to become due to the

United States hereunder, and shall not have obtained an extension of time for payment thereof, or, if such extension be obtained, has not made such payment within the time as extended, then the Secretary reserves the right forthwith upon written notice to the Allottee to terminate this contract and dispose of the energy herein allocated as he may see fit; provided, he shall first give opportunity to the Company to contract on terms and conditions to be prescribed by the Secretary, for such energy; and, provided, further, that such disposition shall be subject to the condition that the Allottee shall have the right at any time within ten (10) years from the date of the first of the defaults or breaches for which the contract is terminated, to become reinstated hereunder by payment to the United States of all arrearages and penalties, if any, together with any and all loss incurred by the United States by reason of such termination, and compensation to the contractor or contractors for equipment rendered idle by such reinstatement. In case of disagreement or dispute as to any of the items so to be paid the same shall be determined as provided in Article twenty-one (21) hereof. Nothing contained in this contract shall relieve the Allottee from the obligation to make the United States whole, for the period of this contract, for all loss and/or damage occasioned by the failure of the Allottee to take and/or pay for energy as provided in this contract. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any other provisions hereof, or of a subsequent breach of such provision.

INTERRUPTIONS IN DELIVERY OF WATER

(16) The United States will deliver water continuously to each lessee in the quantity, in the manner, and at the times necessary for the generation of the energy which each of said lessees has the right and/or obligation to generate under this contract in accordance with the load requirements of each of said lessees, and of allottees for which the respective lessees are generating agencies, excepting only that such delivery shall be regulated so as not to interfere with the necessary use of said Hoover Dam and Boulder Canyon Reservoir for river regulation, improvement of navigation, flood control, irrigation, or domestic uses, and the satisfaction of present perfected rights in or to the waters of the Colorado River, or its tributaries, in pursuance of Article VIII of the Colorado River Compact, and this contract is made upon the express condition, and with the express covenant, that the rights of the Allottee to the waters of the Colorado River, or its tributaries, are subject to, and controlled by, the Colorado River Compact. The United States reserves the right temporarily to discontinue or reduce the delivery of water for the generation of energy at any time for the purpose of maintenance, repairs and/or replacements, or installation of equipment, and for investigations and inspections necessary thereto; provided, however, that the United States shall, except in case of emergency, give to the

lessees reasonable notice in advance of such temporary discontinuance or reduction, and that the United States shall make such inspections and perform such maintenance and repair work after consultation with the lessees at such times and in such manner as will cause the least inconvenience to the lessees, and shall prosecute such work with diligence, and, without unnecessary delay, will resume delivery of water so discontinued or reduced. Should the delivery of water be discontinued or reduced below the amount required for the normal generation of firm energy for the payment of which said Allottee has hereby obligated itself, the total number of hours of such discontinuance or reduction in any year shall be determined by taking the sum of the number of hours during which the delivery of water is totally discontinued, and the product of the number of hours during which the delivery of water is partially reduced and the percentage of said partial reduction below the actual quantity of water required by the lessees, severally, for the normal generation of firm energy. Total or partial reductions in the delivery of water which do not reduce the power output below the amount required at the time by such lessee for the normal generation of firm energy, will not be considered in determining the total hours of discontinuance in any year. The minimum annual payment specified in Article thirteen (13) hereof shall be reduced by the ratio that the total number of hours of such discontinuance bears to eight thousand seven hundred sixty (8,760). In no event shall any liability accrue against the United States, its officers, agents and/or employees, for any damage, direct or indirect, arising on account of drought, hostile diversion, Act of God, or of the public enemy, or other similar cause; nevertheless interruptions in delivery of water occasioned by such causes shall be governed as hereinabove provided in this article.

MEASUREMENT OF ENERGY

(17) All energy shall be measured at generator voltage and suitable metering equipment shall be provided and installed by the United States for this purpose. Suitable correction shall be made in the amounts of energy as measured at generator voltage to cover step-up transformer losses and energy required for operation of station auxiliaries. in determining the amounts of energy delivered at transmission voltage as provided in this contract. The said meter equipment shall be maintained by and at the expense of the respective lessees. Meters shall be tested at any reasonable time upon the request of either the United States or a lessee, and in any event they shall be tested at least once each year. If the test discloses that the error of any meter exceeds one per centum (1%), such meter shall be adjusted so that the error does not exceed one-half of one per centum (½%). Meter equipment shall be tested by means of suitable testing equipment which will be provided by the United States, and which shall be calibrated by the United States Bureau of Standards as often as requested by any party hereto. Meters shall be kept sealed, and the seals shall be broken only in the presence of representatives of both the United States

and the lessees, respectively, and likewise all tests of meter equipment shall be conducted only when representatives of both the United States and the respective lessees are present. In the event that energy furnished to the Allottee at Hoover Dam is transmitted over lines of another contractor, the meters at Hoover Dam will record only the total amounts of energy delivered to the operators of main transmission lines and it will not be possible to determine from these meters the division of the energy between the various allottees and the operator. The Allottee or the operator of said lines shall provide suitable meter equipment, satisfactory to the Secretary, at the point where the energy is delivered by the operator of said lines to the Allottee, for determining the amounts of energy delivered to the Allottee at said point, and to these amounts there shall be added proper corrections to cover transformer and line losses in determining the amounts of energy furnished to the Allottee at Hoover Dam. The Secretary's determination of said amounts shall be conclusive.

INSPECTION BY THE UNITED STATES

(18) The Secretary or his representatives shall have free access at all reasonable times to the books and records of the Allottee relating to the disposal of electrical energy, with the right at any time during office hours to make copies of and from the same.

TRANSMISSION

(19) The Company having, in Article twenty-five (25) of Exhibit "A" hereof, undertaken that it shall transmit over its main transmission lines, constructed for carrying Boulder Canyon power, such power allocated to the Allottee as it may desire to have transmitted over such lines, the Allottee agrees to compensate the Company therefor as may be mutually agreed upon between the Company and the Allottee. In the event that an operator of main transmission lines other than the Company transmits the energy allocated to the Allottee pursuant to Exhibit "A", Article (25) (c), the obligation of the Allottee under this paragraph shall apply for the benefit of such other operator as though it had been named herein instead of the Company. In any event, disputes and disagreements between the Allottee and the operator of main transmission lines shall be determined in accordance with Article twenty-one (21) (a) hereof. Nothing herein contained, however, shall relieve the Allottee of the obligation to pay the United States for energy allocated to the Allottee whether transmitted or not.

DURATION OF CONTRACT

(20) This contract shall remain in effect until the expiration of a period of fifty (50) years from the date at which energy is ready for delivery to the City, as announced by the Secretary. The holder of any contract for electrical

energy, including the Allottee, not in default thereunder, shall be entitled to a renewal thereof upon such terms and conditions as may be authorized or required under the then existing laws and regulations, unless the property of such holder dependent for its usefulness on a continuation of the contract be purchased or acquired and such contractor be compensated for damages to its property, used and useful in the transmission and distribution of such electrical energy and not taken, resulting from the termination of the supply.

DISPUTES AND DISAGREEMENTS

(21) (a) Disputes or disagreements arising under this contract between the Allottee and any lessee or other allottee shall be arbitrated by three arbitrators, except where otherwise provided in this contract. The Allottee shall name one arbitrator, and the other disputant shall name one. These two shall name the third. If either disputant has notified the other that arbitration is demanded and that it has named an arbitrator, and if thereafter the other disputant fails to name an arbitrator for fifteen days, the Secretary, if requested by either disputant, shall name such arbitrator, who shall proceed as though named by the disputant. The two arbitrators so named shall meet within five days after appointment of the second, and name the third. If they fail to do so, the Secretary will, on request by either disputant or arbitrator, name the third. A decision by any two of the three arbitrators shall be binding on the disputants and enforceable by court proceedings or by the Secretary in his discretion. Arbitration as herein provided, or the failure of the arbitrators to render a decision within six months of appointment of the third arbitrator, shall be a condition precedent to suit by either disputant against the other upon the matter in dispute.

(b) Disputes or disagreements between the United States and the Allottee as to the interpretation or performance of the provisions of this contract shall be determined either by arbitration or court proceedings, the Secretary of the Interior being authorized to act for the United States in such proceedings. Whenever a controversy arises out of this contract, and the disputants agree to submit the matter to arbitration, the Allottee shall name one arbitrator and the Secretary shall name one arbitrator, and the two arbitrators thus chosen shall elect three other arbitrators, but in the event of their failure to name all or any of the three arbitrators within five (5) days after their first meeting, such arbitrators, not so elected, shall be named by the Senior Judge of the United States Circuit Court of Appeals for the Ninth Circuit. The decision of any three of such arbitrators shall be a valid and binding award of the arbitrators.

USE OF PUBLIC AND RESERVED LANDS OF THE UNITED STATES

(22) The use is authorized of such public and reserved lands of the United States as may be necessary or convenient for the construction, operation and

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maintenance of main transmission lines, to transmit electrical energy generated at Hoover Dam, together with the use of such public and reserved lands of the United States as may be designated by the Secretary, from time to time, for camp sites, residences for employees, warehouses and other uses incident to the operation and maintenance of the power plant and incidental works.

PRIORITY OF CLAIMS OF THE UNITED STATES

(23) Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured.

TRANSFER OF INTEREST IN CONTRACT

(24) No voluntary transfer of this contract, or of the rights hereunder, shall be made without the written approval of the Secretary; and any successor or assign of the rights of the Allottee, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the provisions of the Boulder Canyon Project Act and also subject to all the provisions and conditions of this contract to the same extent as though such successor or assign were the original contractor hereunder; provided that a mortgage or trust deed or judicial sales made thereunder shall not be deemed voluntary transfers within the meaning of this article.

RULES AND REGULATIONS

(25) This contract is subject to such rules and regulations conforming to the Boulder Canyon Project Act as the Secretary may from time to time promulgate; provided, however, that no right of the Allottee hereunder shall be impaired or obligation of the Allottee hereunder shall be extended thereby; and provided, further, that opportunity for hearing shall be afforded the Allottee by the Secretary prior to promulgation thereof.

AGREEMENT SUBJECT TO COLORADO RIVER COMPACT

(26) This contract is made upon the express condition and with the express understanding that all rights hereunder shall be subject to and controlled by the Colorado River Compact, being the compact or agreement signed at Santa Fe, New Mexico, November 24, 1922, pursuant to Act of Congress approved August 19, 1921, entitled "An Act to permit a compact or agreement between the States of Arizona, California, Colorado, Nevada, New Mexico, Utah and Wyoming, respecting the disposition and apportionment of the waters of the Colorado River, and for other purposes," which Compact was approved in Section 13 (a) of the Boulder Canyon Project Act.

CONTINGENT UPON APPROPRIATIONS

(27) This contract is subject to appropriations being made by Congress from year to year or moneys sufficient to do the work provided for herein, and to there being sufficient moneys available in the Colorado River Dam Fund to permit allotments to be made for the performance of such work. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient moneys not being so appropriated or on account of there not being sufficient moneys in the Colorado River Dam Fund to permit of said allotments. This agreement is also subject to the condition that if for any other reason construction of Hoover Dam is not prosecuted to completion with reasonable diligence, then and in such event either party hereto may terminate its obligations hereunder upon one (1) year's written notice to the other party hereto.

TITLE TO REMAIN IN UNITED STATES

(28) As provided by Section six (6) of the Boulder Canyon Project Act, the title to Hoover Dam, reservoir, plant and incidental works, shall forever remain in the United States.

REMEDIES UNDER CONTRACT NOT EXCLUSIVE

(29) Nothing contained in this contract shall be construed as in any manner abridging, limiting or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have.

MEMBER OF CONGRESS CLAUSE

(30) No Member of or Delegate to Congress or Resident Commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom. Nothing, however, herein contained shall be construed to extend to this contract if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By RAY LYMAN WILBUR,
Secretary of the Interior.

Attest:
NORTHCUTT ELY.

THE SOUTHERN SIERRAS POWER COMPANY,
By A. B. WEST, *President.*

[SEAL]

Attest:
H. DEWES, *Assistant Secretary.*

Legal features approved:
COIL, *General Counsel.*

And Southern California Edison Company Ltd., as evidence of its approval of this contract, has caused its corporate name to be subscribed hereto by its officers thereunto duly authorized, as at the day and year first above written.

SOUTHERN CALIFORNIA EDISON COMPANY, LTD.
By R. H. BALLARD, *President.*

[SEAL]

Attest:
CLIFTON PETERS, *Secretary.*

Approved as to form:
ROY V. REPPY, *General Counsel.*
By G. E. TROWBRIDGE, *Attorney.*
11–12–31

EVIDENCE OF AUTHORITY TO SIGN CORPORATE INSTRUMENTS

I, W. S. Fisher, Secretary of The Southern Sierras Power Company, a corporation organized and existing under the laws of the State of Wyoming, do hereby certify that at a duly called meeting of the Board of Directors of said Company, at which a quorum of said directors was present, held at Denver, Colorado, the 6th day of May, 1931, a resolution was adopted, of which the following is a correct copy:

> WHEREAS, negotiations concerning the allocation of power to be developed at the Boulder Canyon Project of the United States Government have been concluded and a satisfactory contract agreed upon between the representatives of the Department of the Interior of the United States and the executive officers of our Company; and
>
> WHEREAS, it now seems desirable to secure a definite contract concerning the allocation of power, both firm and secondary, to our Company;
>
> NOW, THEREFORE, BE IT RESOLVED, By the Board of Directors of The Southern Sierras Power Company that the President of this Company be and he is hereby authorized and directed to conclude a contract between The Southern Sierras Power Company and the United States of America providing for the allocation of power, both firm and secondary, to this Company from the Boulder Canyon Power Project now being constructed by the United States of America, said contract to contain such terms, covenants and conditions as may be deemed proper and desirable by the President of this Company;
>
> BE IT FURTHER RESOLVED, That the President, or one of the Vice-Presidents, of this Company be and he is hereby authorized and directed to execute such contract in the name of this Company and as the act and deed of this Company, and that the Secretary, or one of the Assistant Secretaries, of this Company be and he is hereby authorized and directed to affix the corporate seal of this Company to such contract and duly attest the same by his signature.

I further certify that on the 5th day of November, 1931, the above resolution was still in force, and that on the said 5th day of November, 1931, A. B. West was the President of said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Company, this 9th day of November, 1931.

W. S. FISHER, *Secretary.*

[SEAL]

[ITEM 40]

BOULDER CANYON PROJECT

CONTRACT FOR ELECTRICAL ENERGY

THE UNITED STATES

AND

THE CITY OF BURBANK

NOVEMBER 10, 1931

(11r–670)

(1) THIS CONTRACT, made this 10th day of November, nineteen hundred 31, pursuant to the Act of Congress approved June 17, 1902 (32 Stat., 388), and acts amendatory thereof or suplementary thereto, all of which acts are commonly known and referred to as the reclamation law, and particularly pur-

suant to the Act of Congress approved December 21, 1928 (45 Stat., 1057), designated the Boulder Canyon Project Act, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by Ray Lyman Wilbur, Secretary of the Interior, hereinafter styled the Secretary, and THE CITY OF BURBANK, a municipal corporation, organized and existing under and by virtue of the Laws of the State of California, hereinafter styled the Municipality:

WITNESSETH:

EXPLANATORY RECITALS

(2) WHEREAS, for the purpose of controlling the floods, improving navigation and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters for reclamation of public lands and other beneficial uses exclusively within the United States, and for the generation of electrical energy, the Secretary, subject to the terms of the Colorado River Compact, is authorized to construct, operate and maintain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon, adequate to create a storage reservoir of a capacity of not less than twenty million acre-feet of water; also to construct, equip, operate and maintain at or near said dam, or cause to be constructed, a complete plant and incidental structures suitable for the fullest economic development of electrical energy from the water discharged from said reservoir; and

(3) WHEREAS, after full consideration of the advantages of both the Black Canyon and Boulder Canyon dam sites, the Secretary has determined upon Black Canyon as the site of the aforesaid dam, hereinafter styled the Hoover Dam, and has determined that the revenues provided for by this contract, together with other contracts in accordance with the provisions of the Boulder Canyon Project Act, are adequate in his judgment to insure payment of all expenses of operation and maintenance of the Hoover Dam and appurtenant works incurred by the United States, and the repayment within fifty (50) years from the date of completion of said works of all amounts advanced to the Colorado River Dam Fund under Subdivision (b) of Section 2 of the Boulder Canyon Project Act, together with interest thereon made reimbursable under said Act; and

(4) WHEREAS, the United States has entered into an agreement of date April 26, 1930, with the City of Los Angeles (hereinafter styled the City) and Southern California Edison Company, Ltd., (hereinafter styled the Company) severally (both hereinafter referred to as the lessees) for the lease, and the operation and maintenance, of a Government-built power plant to be constructed at Hoover Dam, together with the right to generate electrical energy (a copy of which said lease as amended by supplemental agreements of date May 28, 1930, and September 23, 1931, is attached hereto marked Exhibit

"A", and by this reference made a part hereof); and whereas in said lease the Secretary has reserved the authority to, and in consideration of the execution thereof is authorized by each of the aforesaid lessees, severally, to contract with the other allottees named in the allocation set forth therein for the furnishing of energy to such allottees at transmission voltage in accordance with the allocation to each allottee, and the Secretary is therein granted by each lessee, severally, the power in accordance with the provisions thereof to enforce as against each lessee the rights to be acquired by such other allottees by contracts to be entered into with the United States; and whereas in said lease the City has agreed to generate energy allocated to the Municipality; and

(5) WHEREAS, the Municipality is desirous of entering into a contract for the purchase of electrical energy to be generated at the power plant to be leased, as aforesaid, to the City;

(6) NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to-wit:

ALLOCATION OF ELECTRICAL ENERGY

(7) The United States will cause electrical energy to be delivered to the Municipality at Hoover Dam under and in pursuance of and subject to the provisions of the aforesaid lease, attached hereto as Exhibit "A", for a period of fifty (50) years from the date at which energy is ready for delivery to the City, as announced by the Secretary, in accordance with the following allocation, to-wit:

Of Firm Energy, as defined in Article nine (9) hereof:

A. To the State of Nevada, for use in Nevada, not exceeding eighteen per centum 18%) of said total firm energy.

B. To the State of Arizona, for use in Arizona, not exceeding eighteen per centum (18%) of said total firm energy. Should either of the States not take its full eighteen per centum (18%) allocation within a period of twenty (20) years hereof, the other may then contract for the energy not so taken up to four per centum (4%) of the total firm energy, provided that the combined amount used by the two States shall not, at any time, exceed thirty-six per centum (36%) of such total firm energy.

C. To The Metropolitan Water District of Southern California for pumping Colorado River water into and in its aqueduct for the use of such District within the following limits:

(1) Thirty-six per centum (36%) of said total firm energy, plus

(2) All secondary energy developed at the Hoover Dam power plant as provided in Article Fourteen (14) hereof; plus

(3) So much of the firm energy allocated to the States, the City and the Company as may not be in use by them. Energy allocated to the States, but not in use by them, shall be released to the District by the two lessees equally (unless they agree upon a different ratio) as follows:

(a) If the District makes a firm contract with the Secretary for the balance of the lease period for part or all of such unused States energy (subject to the first right of the States thereto) such contract shall be made effective upon two years'

written notice to the Secretary, and compensation to the lessees, respectively, for main transmission line property rendered idle;

(b) If the District does not so make a firm contract for such energy, then energy allocated to the States but not in use by them, shall be released to the District upon not less than fifteen months' written notice to the Secretary and at such compensation as the District and such lessees, respectively, may agree upon, to cover cost and overhead of replacing energy which otherwise would have been received at the Pacific Coast end of the main transmission lines by the lessees, respectively. Such cost shall include interest on and depreciation and operation and maintenance of the plant capacity while required for the generation of such substitute energy; and also appropriate allowance for interest on and maintenance and depreciation of plant capacity rendered idle because of cessation of generation of such substitute energy until such time as such plant capacity would otherwise have been installed by the lessees, respectively, for their own requirements. If the District and the respective lessees fail to agree on such compensation, such energy shall nevertheless be released to the District, and the disagreement shall be determined in accordance with Article twenty-two (22) (a) hereof. Such determination shall include allowance for items of cost and overhead as specified in this paragraph. Pending such determination, energy so released shall be paid for by the District at the rate for firm energy but the determination of compensation under Article twenty-two (22) (a) hereof shall not be controlled by such rate.

During any year beginning June first, the District shall not use any secondary energy or any unused State energy, until it has first used subsequent to June first, next preceding, an amount of firm energy equivalent to one-twelfth of the amount of firm energy it is obligated to take and/or pay for annually multiplied by the number of months elapsed since June first next preceding.

(4) If, due to temporary deficiency in secondary energy regularly used by the District, substitute energy is requested by the District in excess of the energy made available under the foregoing subparagraph (3) (b) the City and/or the Company may release so much energy as may be practicable on the same terms as provided in subsection (3) (b) preceding.

D. To the municipalities of Anaheim, Beverly Hills, Burbank, Colton, Fullerton, Glendale, Newport Beach, Pasadena, Riverside, San Bernardino and Santa Ana (referred to herein as "the municipalities"), six per centum (6%) in all, whereof nine and eight thousand two hundred sixty-six ten thousandths per centum (9.8266%) of said six per centum (6%), being five thousand eight hundred ninety-six ten thousandths of one per centum (0.5896%) of all firm energy, shall be taken and/or paid for by The City of Burbank.

E. To the City of Los Angeles, thirteen per centum (13%).

F. To Southern California Edison Company, Ltd., The Southern Sierras Power Company, the San Diego Consolidated Gas and Electric Company and the Los Angeles Gas and Electric Corporation, referred to herein as the companies, nine per centum (9%) in all, division whereof between the companies shall be made according to mutual agreement among them, if possible. If no such agreement is submitted to the Secretary on or before November 16, 1931, the Secretary shall determine the allocation of each.

It is further agreed that:

(i) So much of the energy allocated to the States (thirty-six per centum (36%) of the firm energy) and not in use by them, or failing their use, by the District for the above purposes, shall be taken and paid for one-half by the City and one-half by the Company.

In addition, all firm energy allocated to the City thirteen per centum (13%), shall be taken and paid for by the City.

(ii) All of the energy allocated to the municipalities may be contracted for in compliance with regulations of the Secretary, by any one or more of them, on or before November 16, 1931. So much of the energy allocated to the municipalities as is not so contracted for, or if contracted for, not used by them directly or under contract for municipal purposes and/or distribution to their inhabitants, shall be taken and paid for by the City.

(iii) So much of the energy allocated to the Southern Sierras Power Company, the San Diego Consolidated Gas and Electric Company, and the Los Angeles Gas and Electric Corporation as is not firmly contracted for by them, severally, in compliance with regulations of the Secretary on or before November 16, 1931, shall be taken and paid for by the Company.

(iv) If any allottee is permitted by the United States to divert water from the reservoir, at a time when the reservoir is not spilling, in consequence of which the amount of energy which would have been utilized is diminished, such diminution shall be debited to the allocation of firm energy herein made to such allottee; and charge for the energy equivalent of such diversion shall be made, and the amount of energy which the allottee shall otherwise be obligated to take and pay for hereunder shall be correspondingly reduced.

The reservoir shall be considered as spilling whenever water is being discharged in excess of the amount used for the generation of power, whether such waste occurs over the spillway or otherwise.

(v) Each of the States of Arizona and Nevada may, from time to time within the period of the aforesaid lease, contract for energy for use within such State in any amount until the total allocated, respectively, to each is in use as provided above; and may terminate such contract, or contracts, without prejudice to the right to again contract for such energy. All such contracts shall be executed with the Secretary. A contract requiring one thousand (1,000) horsepower (of maximum demand) or less may become ecective or be terminated on six months written notice of requirement or termination given the Director by the State; provided, that the notice given shall be two years if in the twelve months preceding said notice of demand the total increment to such State has exceeded five thousand (5000) horsepower of maximum demand or if in the twelve months preceding said notice of termination the decrement to such State has exceeded five thousand (5000) horsepower of maximum demand. In all cases the Director shall immediately transmit such notice to each lessee. Whenever the amount in use is in excess of five thousand (5000) horsepower of maximum demand, the lessees, respectively, shall be compensated for property rendered idle by use of such excess in such amount as the Secretary shall determine to be equitable. Firm energy not contracted for by the States shall be available for use by the District as herein elsewhere provided, and if not in use by the States and/or the District, shall be taken and paid for equally by the two lessees. No right which may be available to a State under section five (5) (c) of the Boulder Canyon Project Act to execute a firm contract for electrical energy for use within the State shall be impaired by any provision of this contract.

Of Secondary Energy.

It is further agreed that the District shall have the right to purchase and use all secondary energy as provided in Article nine (9) and Article fourteen (14) hereof for the purposes stated in the first paragraph of subdivision (C) of this Article. The City and the Company shall each have the right to purchase and use one-half of all secondary energy not used by the District. Any such energy not used by one lessee shall be available, for the time being, to the other. If secondary energy is not taken by the District, the City, and/or the Company then and in such event, the United States

reserves the right to take, use and dispose of such energy, from time to time, as it sees fit, giving credit therefor as provided in Article twelve (12) of Exhibit "A" hereof.

Of Firm Energy Allocated to but not Used by the District.

It is further agreed that in the event the District shall fail for any reason to use all or any of the firm energy herein allotted to it for the only purpose for which said firm energy is allotted to it, that is, for pumping water into and in its aqueduct, then the Secretary shall dispose of such unused energy until required by the District for said purpose, crediting on the District's obligation the proceeds of such disposition as received; provided, however, that no disposition of such firm energy shall be made by the Secretary without first giving to a successor to the District which may undertake to build or maintain a Colorado River Aqueduct the opportunity to take said firm energy for the same purpose and under the same terms as those to which the District was obligated; and provided further than in the event no such successor takes said firm energy as provided above, then no disposition of such firm energy shall be made by the Secretary without first giving to each lessee the opportunity to contract on equal terms and conditions, to be prescribed by the Secretary, for one-half of such energy, together with such portion of the remainder as the other lessee shall not elect to take.

Of Firm Energy not Hereinbefore Disposed of

It is further agreed that the United States reserves the right, in case the dam which it erects provides a maximum water surface elevation in excess of one thousand two hundred twenty-two (1222) feet above sea level (U. S. Geological Survey Datum), and thereby increases the quantity of firm energy above the quantity of four billion two hundred forty million (4,240,000,000) kilowatt-hours allocated above, to dispose of such increase, but not to exceed ninety million (90,000,000) kilowatt-hours per year (June 1st to May 31st, inclusive), to any municipality or municipalities by firm contract executed with the Secretary on or before November 16, 1931. Such disposition shall be without prejudice to any provision of this contract or of the allocation above referred to. So much of such additional energy as is not so contracted for shall be taken and paid for by the City. Generation of such additional energy shall in any event be effected by the City.

USE OF ENERGY

(8) It is agreed that the energy contracted for by the municipality shall be used by it (directly or under contract) for municipal purposes and/or distribution to its inhabitants, and that so much of the energy contracted for by it as is not so used may be temporarily delivered by the United States to the Ciy of Los Angeles, crediting on the municipality's obligation the proceeds of such disposition as received; but nothing herein contained shall relieve the municipality from paying for all firm energy contracted for by it whether said energy is taken by the municipality or not.

FIRM AND SECONDARY ENERGY DEFINED

(9) The amount of firm energy for the first year of operation (June 1 to May 31, inclusive), following the date of the completion of the dam as announced by the Secretary shall be defined as being four billion two hundred forty million (4,240,000,000) kilowatt-hours at transmission voltage. For every subsequent year the amount defined as firm energy shall be decreased by eight million seven hundred sixty thousand (8,760,000) kilowatt-hours from that of the previous year.

Nevertheless, if it be determined by the Secretary that the rate of decrease of kilowatt-hours per year as above stated, is not in accord with actual conditions, the Secretary reserves the right to fix a lesser rate for any year (June 1st to May 31st, inclusive), in advance.

If, by reason of international obligations arising through treaty or otherwise subsequent to the effective date of this contract, or by reason of interference with the program of construction and/or operation of the dam as provided for and contempated by this contract, or by reason of other contingencies not now foreseen, the amount of firm energy available through the release of water from the Boulder Canyon Reservoir shall in fact be less than the amount of firm energy as above defined, then in any such event the obligation of the Municipality to take electrical energy shall be reduced in an amount corresponding to such change. If for any reason the United States shall be wholly unable to fulfill its obligations hereunder in respect of the delivery of water, then the Municipality may terminate this contract.

If the dam erected by the United States provides a maximum water surface elevation in excess of 1,222 feet above sea level (U. S. Geological Survey Datum), the United States reserves the right to dispose of additional firm energy thereby made available, not to exceed ninety million (90,000,000) kilowatt-hours per year, subject to pro rata of the eight million seven hundred sixty thousand (8,760,000) kilowatt-hours annual diminution above provided for.

The term "secondary energy" wherever used herein shall mean all electrical energy generated in one year (June 1st to May 31st, inclusive), in excess of the amount of firm energy as hereinabove defined, available in such year.

GENERATING AGENCIES

(10) In accordance with designation heretofore made by the Secretary, generation of energy allocated to the Municipality shall be effected by the City, as agreed in Exhibit "A" annexed.

Disputes and disagreements between the Municipality and the City generating energy for it, with respect to such generation, and/or the cost thereof, shall be determined by the Secretary.

DELIVERY OF ELECTRICAL ENERGY

(11) (a) Energy shall be ready for delivery to the City and to the municipalities including those contracting under the last paragraph of Article seven (7) hereof when the Secretary announces that one billion, two hundred fifty million (1,250,000,000) kilowatt-hours of energy per year is ready for delivery.

(b) Energy shall be ready for delivery to the District when the Secretary announces that two billion (2,000,000,000) kilowatt-hours of energy per year is available, which date, however, shall not be sooner than one (1) year after

energy is ready for delivery to the City, provided, however, that the time when energy is ready for delivery to the District may be advanced subject to the approval of the Secretary, should the District so request, and that in such case the City shall be compensated by the District for interest and depreciation on and maintenance and operation of its main transmission line in case the total energy available to the City is reduced below one billion two hundred fifty million (1,250,000,000) kilowatt-hours per annum, in the proportion that such kilowatt-hours available to the City is less than one billion two hundred fifty million (1,250,000,000).

(c) Energy shall be ready for delivery to the Company when the Secretary announces that water capable of generating four billion two hundred forty million (4,240,000,000) kilowatt-hours of energy per year is available, which date, however, shall not be sooner than three (3) years after commencement of delivery of energy to the City and which shall not be until the water surface in Boulder Canyon Reservoir on August first immediately preceding has reached an elevation of eleven hundred fifty (1,150) feet above sea level (U. S. Geological Survey datum).

(d) Upon written notification from the Secretary that generation equipment is ready for operation by it and water is available for generating energy therefrom, each lessee will be required to assume the operation and maintenance of its respective portion of the power plant, and thereafter the Municipality shall not look to the United States for compensation for injury and/or damages of any kind which may in any manner arise out of the operation and maintenance of the portion of such plant leased to the City.

CHARGES TO BE PAID THE UNITED STATES

(12) In consideration of this contract, the Municipality agrees:

(1) To pay the United States for the use of falling water for generation of energy for the Municipality as follows:

(a) One and sixty-three hundredths mills ($0.00163) per kilowatt-hour (delivered at transmission voltage) for all firm energy contracted for by it;

(2) To pay the United States, for credit to the City, on account of use of the leased equipment as herein elsewhere provided; and

(3) To pay the United States, for credit to the City, on account of maintenance of said equipment in first class operating condition, including repairs to and replacements of machinery; provided, however, that, if the expenditures for replacements shall exceed at any time the sum accumulated by the City as a depreciation reserve in accordance with rules and regulations prescribed by the Secretary, pursuant to the Boulder Canyon Project Act, less all amounts previously withdrawn for replacements, then the rates aforesaid shall be readjusted as hereinafter provided so as to reimburse the City for such excess expenditures within the term of this contract.

At the end of fifteen (15) years from the date of execution of said Exhibit "A" (April 26, 1930), and every ten (10) years thereafter, the above rates of

payment for energy shall be readjusted upon demand of either party hereto, either upward or downward as to price, as the Secretary may find to be justified by competitive conditions at distributing points or competitive centers.

The rate for falling water for generation of firm energy which shall be uniform for both lessees and the Municipality provided for by any such readjustment shall be arrived at by deducting from the price of electrical energy justified by competitive conditions at distributing points or competitive centers—(1) all fixed and operating costs of tranmission to such points—(2) all fixed and operating costs of such portion of the power plant machinery as is to be operated and maintained by the several lessees, including the cost of repairs and replacements, together with such readjustment as to replacements as is provided for in paragraph 3 in this Article; it being understood that such readjusted rates shall under no circumstances exceed the value of said energy, based upon competitive conditions at distributing points or competitive centers.

The charges agreed to be paid by the Municipality to the United States, for credit to the City as generating agency, in this Article, shall be such proportion of the cost incurred by such generating agency as it and the City may agree, or failing such agreement, as the Secretary may determine.

The term "cost", as used with reference to generating energy, shall include a proper proportionate allowance for amortization for the cost of machinery and equipment as provided in Paragraph a of Article 9 of Exhibit A hereof, and interest on the prepayment thereof made by the City, a proper proportionate part of any annuity set-up in accordance with regulations of the Secretary provided for in Subdivision 3 of Article Sixteen (16) of Exhibit "A" hereof, and any additional expenditures made by the City with the approval of the Secretary, for the purpose of meeting the obligation of the City to make replacements; and a proper proportionate part of the actual outlay of the City for operating such machinery and equipment and keeping the same in repair, including reasonable overhead charges. The extent of the allowance for the several items in the event of disagreement between the City and Municipality, and the system of accounting therefor, shall be prescribed by the Secretary under uniform regulations as required by Section 6 of the Boulder Canyon Project Act.

MONTHLY PAYMENTS AND PENALTIES

(13) The Municipality shall pay monthly for energy in accordance with the rates established or provided for herein, and for the generation thereof as provided in Article twelve (12).

When energy taken in any month is not in excess of one-twelfth (1/12) of the minimum annual obligation, bill for such month shall be computed at the rate for firm energy in effect when such energy was taken on the basis of the actual amount of energy used during such month, provided, however, that the bill for the month of May shall not be less than the difference between the

minimum annual payment, as provided in Article fourteen (14) hereof, and the sum of the amounts charged for firm energy during the preceding eleven month. The United States will submit bills to the Municipality by the fifth of each month immediately following the month during which the energy is generated, and payments shall be due on the first day of the month immediately succeeding. If such charges are not paid when due, a penalty of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional penalty of one per centum (1%) of the amount unpaid shall be added on the first day of each calendar month thereafter during such delinquency.

The monthly charge for generation of such energy to be credited to the generating agency shall be in such amount as may be determined in accordance with Article twelve (12) hereof.

MINIMUM ANNUAL PAYMENT

(14) The minimum quantity of firm energy which the Municipality shall take and/or pay for each year (June 1st to May 31st, inclusive), under the terms of this contract, and after the same is ready for delivery to the Municipality, as provided in subdivision (a) of Article eleven (11) hereof, shall be five thousand eight hundred ninety-six ten thousandth of one per centum (0.5896%) of all firm energy as defined in Article nine (9) hereof, available in said year. The total payments made by the Municipality for firm energy available in any year (June 1st to May 31st, inclusive), whether any energy is taken by it, or not, excluive of its payments for credit to the generating agency, shall be not less than the number of kilowatt-hours of firm energy which the Municipality is obligated to take and/or pay for during said year, multiplied by one and sixty-three hundredths mills ($0.00163), or multiplied by the adjusted rate of payment for firm energy in case the said date is adjusted as provided in Article twelve (12) hereof. For a fractional year at the beginning or end of the contract period, the minimum annual payment for firm energy shall be proportionately adjusted in the ratio that the number of days water is available for generation of energy in such fractional year bears to three hundred sixty-five (365). Provided, that the minimum annual payment shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article seventeen (17) hereof.

The minmum annual payments made by the Municipality for generation of such energy, to be credited to the generating agency, shall be determined in accordance with Article twelve (12) hereof.

NO ENERGY TO BE DELIVERED WITHOUT PAYMENT

(15) Unless the written consent of the Secretary be first obtained, no electrical energy shall be generated for, or delivered to, the Municipality if it shall

be in arrears for more than twelve (12) month in the payment of any charge and/or penalty due or to become due the United States hereunder, whether for its own use or for credit to the generating agency.

CONTRACT MAY BE TERMINATED IN CASE OF BREACH

(16) If the Municipality shall be in arreas for more than tweleve (12) months in the payment of any charge and/or penalty due or to become due to the United States hereunder, and shall not have obtained an extension of time for payment thereof, or, if such extension be obtained, has not made such payment within the time as extended, then the Secretary reserves the right forthwith upon written notice to the Municipaliy to terminate this contract and dispose of the energy herein allocated as he may see fit; provided, he shall first give opportunity to the City to contract on terms and conditions to be prescribed by the Secretary, for such energy, and provided further, that such disposition shall be subject to the condition that the Municipality shall have the right at any time within ten (10) years from date of the first of the defaults or breaches for which the contract is terminated, to become reinstated hereunder by payment to the United States of all arrearages and penalties, if any, together with any and all loss incurred by the United States by reason of such termination, and compensation to the contractor or contractors for equipment rendered idle by such reinstatement. In case of disagreement or dispute as to any of the items so to be paid the same shall be determined as provided in Article 22 hereof. Nothing contained in this contract shall relieve the Municipality from the obligation to make the United States whole, for the period of this contract, for all loss and/or damage occasioned by the failure of the Municipality to take and/or pay for energy as provided in this contract. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any other provisions hereof, or of a subsequent breach of such provision.

INTERRUPTIONS IN DELIVERY OF WATER

(17) The United States will deliver water continuously to each lessee in the quantity, in the manner, and at the times necessary for the generation of the energy which each of said lessees has the right and/or obligation to generate under this contract in accordance with the load requirements of each of said lessees, and of allottees for which the respective lessees are generating agencies, excepting only that such delivery shall be regulated so as not to interfere with the necesarry use of said Hoover Dam and Boulder Canyon Reservoir for river regulation, improvement of navigation, flood control, irrigation, or domestic uses, and the satisfaction of present perfected rights in or to the waters of the Colorado River, or its tributaries, in pursuance of Article VIII of the Colorado River Compact, and this contract is made upon the express condition, and with the express covenant, that the rights of the

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Municipality to the waters of the Colorado River, or its tributaries, are subject to, and controlled by, the Colorado River Compact. The United States reserves the right temporarily to discontinue or reduce the delivery of water for the generation of energy at any time for the purpose of maintenance, repairs and/or replacements, or installation of equipment, and for investigations and inspections necessary thereto; provided, however, that the United States shall except in case of emergency give to the lessees reasonable notice in advance of such temporary discontinuance or reduction, and that the United States shall make such inspections and perform such maintenance and repair work after consultation with the lessees at such times and in such manner as will cause the least inconvenience to the lessees, and shall prosecute such work with diligence, and, without unnecessary delay, will resume delivery of water so discontinued or reduced. Should the delivery of water be discontinued or reduced below the amount required for the normal generation of firm energy for the payment of which said Municipality has hereby obligated itself, the total number of hours of such discontinuance or reduction in any year shall be determined by taking the sum of the number of hours during which the delivery of water is totally discontinued, and the product of the number of hours during which the delivery of water is partially reduced and the percentage of said partial reduction below the actual quantity of water required by the lessees, severally, for the normal generation of firm energy. Total or partial reduction in delivery of water which do not reduce the power output below the amount required at the time by such lessee for the normal generation of firm energy, will not be considered in determining the total hours of discontinuance in any year. The minimum annual payment specified in Article fourteen (14) hereof shall be reduced by the ratio that the total number of hours of such discontinuance bears to eight thousand seven hundred sixty (8,760). In no event shall any liability accrue against the United States, its officers, agents and/or employees, for any damage, direct or indirect, arising on account of drought, hostile diversion, Act of God, or of the public enemy, or other similar cause; nevertheless interruptions in delivery of water occasioned by such causes shall be governed as hereinabove provided in this article.

MEASUREMENT OF ENERGY

(18) All energy shall be measured at generator voltage and suitable metering equipment shall be provided and installed by the United States for this purpose. Suitable correction shall be made in the amounts of energy as measured at generator voltage to cover step-up transformer losses and energy required for operation of station auxiliaries, in determining the amounts of energy delivered at transmission voltage as provided in this contract. The said meter equipment shall be maintained by and at the expense of the respective lessees. Meters shall be tested at any reasonable time upon the request of

either the United States or a lessee, and in any event they shall be tested at least once each year. If the test discloses that the error of any meter exceeds one per centum (1%), such meter shall be adjusted so that the error does not exceed one-half of one per centum (½%). Meter equipment shall be tested by means of suitable testing equipment which will be provided by the United States, and which shall be calibrated by the United States Bureau of Standards as often as requested by any party hereto. Meters shall be kept sealed, and the seals shall be broken only in the presence of representatives of both the United States and the lessees respectively and likewise all test of meter equipment shall be conducted only when representatives of both the United States and the respective lessees are present. In the event that energy furnished to the Municipality at Boulder Canyon is transmitted over lines of another contractor, the meters at Boulder Canyon will record only the total amounts of energy delivered to the operators of main transmission lines and it will not be possible to determine from these meters the division of the energy between the various Municipalities and the operator. The Municipality or the operator of said lines shall provide suitable meter equipment, satisfactory to the Secretary, at the point where the energy is delivered by the operator of said lines to the Municipality, for determining the amounts of energy delivered to the Municipality at said point and to these amounts there shall be added proper corrections to cover transformer and line losses in determining the amounts of energy furnished to the Municipality at Boulder Canyon. The Secretary's determination of said amounts shall be conclusive.

INSPECTION BY THE UNITED STATES

(19) The Secretary or his representatives shall have free access at all reasonable times to the books and records of the Municipality relating to the disposal of electrical energy, with the right at any time during office hours to make copies of or from the same.

TRANSMISSION

(20) The City having, in Article twenty-five (25) of Exhibit A hereof undertaken that it shall construct, operate and maintain at cost, including allowance for necessary overhead expenses, the main transmission lines required for transmitting all Boulder Canyon energy allocated to the Municipality to the receiving station at the Pacific Coast end of the City's main transmission lines, the Municipality agrees to pay its pro rata of the cost of construction, operation and maintenance of said lines as it and the City may agree, and the Secretary will, when notified by the City that arrangement to that effect have been concluded by the City and Municipality, cause delivery of energy at transmission voltage to be made accordingly. In the event that an operator of main transmission lines other than the City transmits the energy allocated

to the Municipality pursuant to Exhibit "A," Article 25 (b), the obligation of the Municipality under this paragraph shall apply for the benefit of such other operator as though it has been named herein instead of the City. In any event disputes and disagreements between the Municipality and the operator of main transmission lines shall be determined in accordance with Article 22 (a) hereof. Nothing herein contained, however, shall relieve the Municipality of the obligation to pay the United States for energy contracted for by it, whether transmitted or not.

DURATION OF CONTRACT

(21) This contract shall not become effective for any purpose unless on or before November 16, 1931, two-thirds of the qualified electors of the Municipality voting at an election to be held for that purpose, have assented that the Municipality shall incur the indebtedness and liability of this contract, and make provision for the collection of an annual tax sufficient to pay to the United States each year the minimum annual obligation of the Municipality under this contract, or any portion thereof not paid from other sources. After having become effective this contract shall remain in effect until the expiration of a period of fifty (50) years from the date at which energy is ready for delivery to the City, as announced by the Secretary. The holder of any contract for electrical energy, including the Municipality, not in default thereunder, shall be entitled to a renewal thereof upon such terms and conditions as may be authorized or required under the then existing laws and regulations, unless the property of such holder dependent for its usefulness on a continuation of the contract be purchased or acquired and such contractor be compensated for damages to its property, used and useful in the transmission and distribution of such electrical energy and not taken, resulting from the termination of the supply.

DISPUTES AND DISAGREEMENTS

(22) (a) Disputes or disagreements arising under this contract between the Municipality and any lessee or other allottee shall be arbitrated by three arbitrators, except where otherwise provided in this contract. The Municipality shall name one arbitrator, and the other disputant shall name one. These two shall name the third. If either disputant has notified the other that arbitration is demanded and that it has named an arbitrator, and if thereafter the other disputant fails to name an arbitrator for fifteen days, the Secretary, if requested by either disputant shall name such arbitrator, who shall proceed as though named by the disputant. The two arbitrators so named shall meet within five days after appointment of the second, and name the third. If they fail to do so, the Secretary will, on request by either disputant or arbitrator, name the third. A decision by any two of the three arbitrators shall be bind-

ing on the disputants and enforceable by court proceedings or by the Secretary in his discretion. Arbitration as herein provided, or the failure of the arbitrators to render a decision within six months of appointment of the third arbitrator, shall be a condition precedent to suit by either disputant against the other upon the matter in dispute.

(b) Disputes or disagreements between the United States and the Municipality as to the interpretation or performance of the provisions of this contract shall be determined either by arbitration or court proceedings, the Secretary of the Interior being authorized to act for the United States in such proceedings. Whenever a controversy arises out of this contract, and the disputants agree to submit the matter to arbitration, the Municipality shall name one arbitrator and the Secretary shall name one arbitrator, and the two arbitrators thus chosen shall elect three other arbitrators, but in the event of their failure to name all or any of the three arbitrators within five (5) days after their first meeting, such arbitrators, not so elected, shall be named by the Senior Judge of the United States Circuit Court of Appeals for the Ninth Circuit. The decision of any three of such arbitrators shall be a valid and binding award of the arbitrators.

USE OF PUBLIC AND RESERVED LANDS OF THE UNITED STATES

(23) The use is authorized of such public and reserved lands of the United States as may be necessary or convenient for the construction, operation and maintenance of main transmission lines, to transmit electrical energy generated at Hoover Dam, together with the use of such public and reserved lands of the United States as may be designated by the Secretary, from time to time, for camp sites, residences for employees, warehouses and other uses incident to the operation and maintenance of the power plant and incidental works.

PRIORITY OF CLAIMS OF THE UNITED STATES

(24) Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured, and the Municipality shall exercise all its powers including the power of taxation, and the powers of asessment, levying and collection of taxes of every kind, which the Municipality has or may acquire, for the provision of funds which may become due to the United States under this contract.

TRANSFER OF INTEREST IN CONTRACT

(25) No voluntary transfer of this contract, or of the rights hereunder, shall be made without the written approval of the Secretary; and any successor or assign of the rights of the Municipality, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the condi-

tions of the Boulder Canyon Project Act and also subject to all the provisions and conditions of this contract to the same extent as though such successor or assign were the original contractor hereunder; provided that, a mortgage or trust deed or judicial sales made thereunder shall not be deemed voluntary transfers within the meaning of this article.

RULES AND REGULATIONS

(26) This contract is subject to such rules and regulations conforming to the Boulder Canyon Project Act as the Secretary may from time to time promulgate; provided, however, that no right of the Municipality hereunder shall be impaired or obligation of the Municipality hereunder, shall be extended thereby; and provided further that opportunity for hearing shall be afforded the Municipality by the Secretary prior to promulgation thereof.

AGREEMENT SUBJECT TO COLORADO RIVER COMPACT

(27) This contract is made upon the express condition and with the express understanding that all rights hereunder shall be subject to and controlled by the Colorado River Compact, being the compact or agreement signed at Santa Fe, New Mexico, November 24, 1922, pursaunt to Act of Congress approved August 19, 1921, entitled "An Act to permit a compact or agreement between the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming, respecting the disposition and apportionment of the waters of the Colorado River, and for other purposes," which Compact was approved in Section 13 (a) of the Boulder Canyon Project Act.

CONTINGENT UPON APPROPRIATIONS

(28) This contract is subject to appropriation being made by Congress from year to year of moneys sufficient to do the work provided for herein, and to there being sufficient moneys available in the Colorado River Dam Fund to permit allotments to be made for the performance of such work. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient moneys not being so appropriated or on account of there not being sufficient moneys in the Colorado River Dam fund to permit of said allotments. This agreement is also subject to the condition that if for any other reason construction of Hoover Dam is not prosecuted to completion with reasonable diligence, then and in such even either party hereto may terminate its obligations hereunder upon one (1) year's written notice to the other party hereto.

TITLE TO REMAIN IN UNITED STATES

(29) As provided by Section six (6) of the Boulder Canyon Project Act, the title to Hoover Dam, reservoir, plant and incidental works, shall forever remain in the United States.

REMEDIES UNDER CONTRACT NOT EXCLUSIVE

(30) Nothing contained in this contract shall be construed as in any manner abridging, limiting or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have.

MEMBER OF CONGRESS CLAUSE

(31) No Member of or Delegate to Congress or Resident Commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom. Nothing, however, herein contained shall be construed to extend to this contract if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By RAY LYMAN WILBUR,
Secretary of the Interior.

THE CITY OF BURBANK,
By J. L. NORWOOD,
President of the Council.

[SEAL]

Approved as to form:
By JAMES H. MITCHELL, *City Attorney.*

Attest:
F. S. WEBSTER,
City Clerk of the City of Burbank.

[ITEM 41]

BOULDER CANYON PROJECT

CONTRACT FOR ELECTRICAL ENERGY

THE UNITED STATES

AND

THE CITY OF GLENDALE

NOVEMBER 12, 1931

(I1r–673)

(1) THIS CONTRACT, made this 12th day of November, nineteen hundred thirty-one, pursuant to the Act of Congress approved June 17, 1902 (32 Stat., 388), and acts amendatory thereof or supplementary thereto, all of which acts

are commonly known and referred to as the reclamation law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat., 1057), designated the Boulder Canyon Project Act, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by Ray Lyman Wilbur, Secretary of the Interior, hereinafter styled the Secretary, and THE CITY OF GLENDALE, a municipal corporation, organized and existing under and by virtue of the Laws of the State of California, hereinafter styled the Municipality:

WITNESSETH:

EXPLANATORY RECITALS

(2) WHEREAS, for the purpose of controlling the floods, improving navigation and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters for reclamation of public lands and other beneficial uses exclusively within the United States, and for the generation of electrical energy, the Secretary, subject to the terms of the Colorado River Compact, is authorized to construct, operate and maintain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon, adequate to create a storage reservoir of a capacity of not less than twenty million acre-feet of water; also to construct, equip, operate and maintain at or near said dam, or cause to be constructed, a complete plant and incidental structures suitable for the fullest economic development of electrical energy from the water discharged from said reservoir; and

(3) WHEREAS, after full consideration of the advantage of both the Black Canyon and Boulder Canyon dam sites, the Secretary has determined upon Black Canyon as the site of the aforesaid dam, hereinafter styled the Hoover Dam, and has determined that the revenues provided for by this contract, together with other contracts in accordance with the provisions of the Boulder Canyon Project Act, are adequate in his judgment to insure payment of all expenses of operation and maintenance of the Hoover Dam and appurtenant works incurred by the United States, and the repayment within fifty (50) years from the date of completion of said works of all amounts advanced to the Colorado River Dam Fund under Subdivision (b) of Section 2 of the Boulder Canyon Project Act, together with interest thereon made reimbursable under said Act; and

(4) WHEREAS, the United States has entered into an agreement of date April 26, 1930, with the City of Los Angeles (hereinafter styled the City) and Southern California Edison Company, Ltd., (hereinafter styled the Company) severally (both hereinafter referred to as the lessees) for the lease, and the operation and maintenance, of a Government-built power plant to be constructed at Hoover Dam, together with the right to generate electrical energy (a copy of which said lease as amended by supplemental agreements of date May 28, 1930, and September 23, 1931, is attached hereto marked Exhibit "A", and by this

reference made a part hereof); and whereas in said lease the Secretary has re-reserved the authority to, and in consideration of the execution thereof is authorized by each of the aforesaid lessees, severally, to contract with the other allottees named in the allocation set forth therein for the furnishing of energy to such allottees at transmission voltage in accordance with the allocation to each allottee, and the Secretary is therein granted by each lessee, severally, the power in accordance with the provisions thereof to enforce as against each lessee the rights to be acquired by such other allottees by contracts to be entered into with the United States; and whereas in said lease the City has agreed to generate energy allocated to the Municipality; and

(5) WHEREAS, the Municipality is desirous of entering into a contract for the purchase of electrical energy to be generated at the power plant to be leased, as aforesaid, to the City;

(6) NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to-wit:

ALLOCATION OF ELECTRICAL ENERGY

(7) The United States will cause electrical energy to be delivered to the Municipality at Hoover Dam under and in pursuance of and subject to the provisions of the aforesaid proposed lease, attached hereto as Exhibit "A," for a period of fifty years from the date at which energy is ready for delivery to the City, as announced by the Secretary, in accordance with the following allocation, to-wit:

Of Firm Energy, as defined in Article nine (9) hereof:

A. To the State of Nevada, for use in Nevada, not exceeding eighteen per centum (18%) of said total firm energy.

B. To the State of Arizona, for use in Arizona, not exceeding eighteen per centum (18%) of said total firm energy. Should either of the States not take its full eighteen per centum (18%) allocation within a period of twenty (20) years hereof, the other may then contract for the energy not so taken up to four per centum (4%) of the total firm energy, provided that the combined amount used by the two States shall not, at any time, exceed thirty-six per centum (36%) of such total firm energy.

C. To The Metropolitan Water District of Southern California for pumping Colorado River water into and in its aqueduct for the use of such District within the following limits:

(1) Thirty-six per centum (36%) of said total firm energy, plus

(2) All secondary energy developed at the Hoover Dam power plant as provided in Article Fourteen (14) hereof; plus

(3) So much of the firm energy allocated to the States, the City and the Company as may not be in use by them. Energy allocated to the States, but not in use by them, shall be released to the District by the two lessees equally (unless they agree upon a different ratio) as follows:

(a) If the District makes a firm contract with the Secretary for the balance of the lease period for part or all of such unused States energy (subject to the first right of the States thereto) such contract shall be made effective upon two years'

written notice to the Secretary, and compensation to the lessees, respectively, for main transmission line property rendered idle;

(b) If the District does not so make a firm contract for such energy, then energy allocated to the States but not in use by them, shall be released to the District upon not less than fifteen months' written notice to the Secretary and at such compensation as the District and such lessees, respectively, may agree upon, to cover cost and overhead of replacing energy which otherwise would have been received at the Pacific Coast end of the main transmission lines by the lessees, respectively. Such cost shall include interest on and depreciation and operation and maintenance of the plant capacity while required for the generation of such substitute energy; and also appropriate allowance for interest on and maintenance and depreciation of plant capacity rendered idle because of cessation of generation of such substitute energy until such time as such plant capacity would otherwise have been installed by the lessees, respectively, for their own requirements. If the District and the respective lessees fail to agree on such compensation, such energy shall nevertheless be released to the District, and the disagreement shall be determined in accordance with Article twenty-two (22) (a) hereof. Such determination shall include allowance for items of cost and overhead as specified in this paragraph. Pending such determination, energy so released shall be paid for by the District at the rate for firm energy but the determination of compensation under Article twenty-two (22) (a) hereof shall not be controlled by such rate.

During any year beginning June first, the District shall not use any secondary energy or any unused State energy, until it has first used subsequent to June first, next preceding, an amount of firm energy equivalent to one-twelfth of the amount of firm energy it is obligated to take and/or pay for annually multiplied by the number of months elapsed since June first next preceding.

(4) If, due to temporary deficiency in secondary energy regularly used by the District, substitute energy is requested by the District in excess of the energy made available under the foregoing sub-paragraph (3) (b) the City and/or the Company may release so much energy as may be practicable on the same terms as provided in subsection (3) (b) preceding.

D. To the municipalities of Anaheim, Beverly Hills, Burbank, Colton, Fullerton, Glendale, Newport Beach, Pasadena, Riverside, San Bernardino and Santa Ana (referred to herein as "the municipalities"), six per centum (6%) in all, whereof thirty-one and four hundred forty-five thousandths per centum (31.445%) of said six per centum (6%), being one and eight thousand eight hundred sixty-seven ten thousandths per centum (1.8867%) of all firm energy, shall be taken and/or paid for by The City of Glendale.

E. To the City of Los Angeles, thirteen per centum (13%).

F. To Southern California Edison Company Ltd., The Southern Sierras Power Company, the San Diego Consolidated Gas and Electric Company and the Los Angeles Gas and Electric Corporation, referred to herein as the companies, nine per centum (9%) in all, division whereof between the companies shall be made according to mutual agreement among them, if possible. If no such agreement is submitted to the Secretary on or before November 16, 1931, the Secretary shall determine the allocation of each.

It is further agreed that:

(i) So much of the energy allocated to the States thirty-six per centum (36%) of the firm energy) and not in use by them, or failing their use, by the District for the above purposes, shall be taken and paid for one-half by the City and one-half by the Company.

In addition, all firm energy allocated to the City thirteen per centum (13%), shall be taken and paid for by the City.

(ii) All of the energy allocated to the municipalities may be contracted for in compliance with regulations of the Secretary, by any one or more of them, on or before November 16, 1931. So much of the energy allocated to the municipalities as is not so contracted for, or if contracted for, not used by them directly or under contract for municipal purposes and/or distribution to their inhabitants, shall be taken and paid for by the City.

(iii) So much of the energy allocated to the Southern Sierras Power Company, the San Diego Consolidated Gas and Electric Company, and the Los Angeles Gas and Electric Corporation as is not firmly contracted for by them, severally, in compliance with regulations of the Secretary on or before November 16, 1931, shall be taken and paid for by the Company.

(iv) If any allottee is permitted by the United States to divert water from the reservoir, at a time when the reservoir is not spilling, in consequence of which the amount of energy which would have been utilized is diminished, such diminution shall be debited to the allocation of firm energy herein made to such allottee; and charge for the energy equivalent of such diversion shall be made, and the amount of energy which the allottee shall otherwise be obligated to take and pay for hereunder shall be correspondingly reduced.

The reservoir shall be considered as spilling whenever water is being discharged in excess of the amount used for the generation of power, whether such waste occurs over the spillway or otherwise.

(v) Each of the States of Arizona and Nevada may, from time to time within the period of the aforesaid lease, contract for energy for use within such State in any amount until the total allocated, respectively, to each is in use as provided above; and may terminate such contract, or contracts, without prejudice to the right o again contract for such energy. All such contracts shall be executed with the Secretary. A contract requiring one thousand (1,000) horsepower (of maximum demand) or less may become effective or be terminated on six months written notice of requirement or termination given the Director by the State; provided, that the notice given shall be two years if in the twelve months preceding said notice of demand the total increment to such State has exceeded five thousand (5000) horsepower of maximum demand or if in the twelve months preceding said notice of termination the decrement to such State has exceeded five thousand (5000) horsepower of maximum demand. In all cases the Director shall immediately transmit such notice to each lessee. Whenever the amount in use is in excess of five thousand (5000) horsepower of maximum demand, the lessees, respectively, shall be compensated for property rendered idle by use of such excess in such amount as the Secretary shall determine to be equitable. Firm energy not contracted for by the States shall be available for use by the District as herein elsewhere provided, and if not in use by the States (and/or the District, shall be taken and paid for equally by the two lessees. No right which may be available to a State under section five (5) (c) of the Boulder Canyon Project Act to execute a firm contract for electrical energy for use within the State shall be impaired by any provision of this contract.

Of Secondary Energy

It is further agreed that the District shall have the right to purchase and use all secondary energy as provided in Article nine (9) and Article fourteen (14) hereof for the purposes stated in the first paragraph of subdivision (C) of this Article. The City and the Company shall each have the right to purchase and use one-half of all secondary energy not used by the District. Any such energy not used by one lessee

shall be available, for the time being, to the other. If secondary energy is not taken by the District, the City, and/or the Company then and in such event, the United States reserves the right to take, use and dispose of such energy, from time to time, as it sees fit, giving credit therefor as provided in Article twelve (12) of Exhibit "A" hereof.

Of Firm Energy Allocated to but not Used by the District

It is further agreed that in the event the District shall fail for any reason to use all or any of the firm energy herein allotted to it for the only purpose for which said firm energy is allotted to it, that is, for pumping water into and in its aqueduct, then the Secretary shall dispose of such unused energy until required by the District for said purpose, crediting on the District's obligation the proceeds of such disposition as received; provided, however, that no disposition of such firm energy shall be made by the Secretary without first giving to a successor to the District which may undertake to build or maintain a Colorado River Aqueduct the opportunity to take said firm energy for the same purpose and under the same terms as those to which the District was obligated; and provided further that in the event no such successor takes said firm energy as provided above, then no disposition of such firm energy shall be made by the Secretary without first giving to each lessee the opportunity to contract on equal terms and conditions, to be prescribed by the Secretary, for one-half of such energy, together with such portion of the remainder as the other lessee shall not elect to take.

Of Firm Energy not Hereinbefore Disposed of

It is further agreed that the United States reserves the right, in case the dam which it erects provides a maximum water surface elevation in excess of one thousand two hundred twenty-two (1222) feet above sea level (U. S. Geological Survey Datum), and thereby increases the quantity of firm energy above the quantity of four billion two hundred forty million (4,240,000,000) kilowatt-hours allocated above, to dispose of such increase, but not to exceed ninety million (90,000,000) kilowatt-hours per year (June 1st to May 31st, inclusive), to any municipality or municipalities by firm contract executed with the Secretary on or before November 16, 1931. Such disposition shall be without prejudice to any provision of this contract or of the allocation above referred to. So much of such additional energy as is not so contracted for shall be taken and paid for by the City. Generation of such additional energy shall in any event be effected by the City.

USE OF ENERGY

(8) It is agreed that the energy contracted for by the municipality shall be used by it (directly or under contract) for municipal purposes and/or distribution to its inhabitants, and that so much of the energy contracted for by it as is not so used may be temporarily delivered by the United States to the City of Los Angeles, crediting on the municipality's obligation the proceeds of such disposition as received; but nothing herein contained shall relieve the municipality from paying for all firm energy contracted for by it whether said energy is taken by the municipality or not.

FIRM AND SECONDARY ENERGY DEFINED

(9) The amount of firm energy for the first year of operation (June 1 to May 31, inclusive), following the date of the completion of the dam as announced by the Secretary shall be defined as being four billion two hundred

forty million (4,240,000,000) kilowatt-hours at transmission voltage. For every subsequent year the amount defined as firm energy shall be decreased by eight million seven hundred sixty thousand (8,760,000) kilowatt-hours from that of the previous year.

Nevertheless, if it be determined by the Secretary that the rate of decrease of kilowatt-hours per year as above stated, is not in accord with actual conditions the Secretary reserves the right to fix a lesser rate for any year (June 1st to May 31st, inclusive), in advance.

If, by reason of international obligations arising through treaty or otherwise subsequent to the effective date of this contract, or by reason of interference with the program of construction and/or operation of the dam as provided for and contemplated by this contract, or by reason of other contingencies not now foreseen, the amount of firm energy available through the release of water from the Boulder Canyon Reservoir shall in fact be less than the amount of firm energy as above defined, then in any such event the obligation of the Municipality to take electrical energy shall be reduced in an amount corresponding to such change. If for any reason the United States shall be wholly unable to fulfill its obligations hereunder in respect of the delivery of water, then the Municipality may terminate this contract.

If the dam erected by the United States provides a maximum water surface elevation in excess of 1,222 feet above sea level (U. S. Geological Survey Datum), the United States reserves the right to dispose of additional firm energy thereby made available, not to exceed ninety million (90,000,000) kilowatt-hours per year, subject to pro rata of the eight million seven hundred sixty thousand (8,760,000) kilowatt-hours annual diminution above provided for.

The term "secondary energy" wherever used herein shall mean all electrical energy generated in one year (June 1st to May 31st, inclusive), in excess of the amount of firm energy as hereinabove defined, available in such year.

GENERATING AGENCIES

(10) In accordance with designation heretofore made by the Secretary, generation of energy allocated to the Municipality shall be effected by the City, as agreed in Exhibit "A" annexed.

Disputes and disagreements between the Municipality and the City generating energy for it, with respect to such generation, and/or the cost thereof, shall be determined by the Secretary.

DELIVERY OF ELECTRICAL ENERGY

(11) (a) Energy shall be ready for delivery to the City and to the municipalities including those contracting under the last paragraph of Article seven (7) hereof when the Secretary announces that one billion, two hundred fifty million (1,250,000,000) kilowatt-hours of energy per year is ready for delivery.

(b) Energy shall be ready for delivery to the District when the Secretary announces that two billion (2,000,000) kilowatt-hours of energy per year is available, which date, however, shall not be sooner than one (1) year after energy is ready for delivery to the City, provided, however, that the time when energy is ready for delivery to the District may be advanced subject to the approval of the Secretary, should the District so request, and that in such case the City shall be compensated by the District for interest and depreciation on and maintenance and operation of its main transmission line in case the total energy available to the City is reduced below one billion two hundred fifty million (1,250,000,000) kilowatt-hours per annum, in the proportion that such kilowatt-hours available to the City is less than one billion two hundred fifty million (1,250,000,000).

(c) Energy shall be ready for delivery to the Company when the Secretary announces that water capable of generating four billion two hundred forty million (4,240,000,000) kilowatt-hours of energy per year is available, which date, however, shall not be sooner than three (3) years after commencement of delivery of energy to the City and which shall not be until the water surface in Boulder Canyon Reservoir on August first immediately preceding has reached an elevation of eleven hundred fifty (1,150) feet above sea level (U. S. Geological Survey datum).

(d) Upon written notification from the Secretary that generation equipment is ready for operation by it and water is available for generating energy therefrom, each lessee will be required to assume the operation and maintenance of its respective portion of the power plant, and thereafter the Municipality shall not look to the United States for compensation for injury and/or damages of any kind which now in any manner arise out of the operation and maintenance of the portion of such plant leased to the City.

CHARGES TO BE PAID THE UNITED STATES

(12) In consideration of this contract, the Municipality agrees:

(1) To pay the United States for the use of falling water for generation of energy for the Municipality as follows:

(a) One and sixty-three hundredths mills ($0.00163) per kilowatt-hour (delivered at transmission voltage) for all firm energy contracted for by it;

(2) To pay the United States, for credit to the City, on account of use of the leased equipment as herein elsewhere provided; and

(3) To pay the United States, for credit to the City, on account of maintenance of said equipment in first class operating condition, including repairs to and replacements of machinery; provided, however, that, if the expenditures for replacements shall exceed at any time the sum accumulated by the City as a depreciation reserve in accordance with rules and regulations prescribed by the Secretary, pursuant to the Boulder Canyon Project Act, less all amounts previously withdrawn for replacements, then the rates aforesaid shall be adjusted as hereinafter provided so as to reimburse the City for such excess expenditures within the term of this contract.

At the end of fifteen (15) years from the date of execution of said Exhibit "A" (April 26, 1930), and every ten (10) years thereafter, the above rates of payment for energy shall be readjusted upon demand of either party hereto, either upward or downward as to price, as the Secretary may find to be justified by competitive conditions at distributing points or competitive centers.

The rate for falling water for generation of firm energy which shall be uniform for both lessees and the Municipality provided for by any such readjustment shall be arrived at by deducting from the price of electrical energy justified by competitive conditions at distributing points or competitive centers—(1) all fixed and operating costs of transmission to such points—(2) all fixed and operating costs of such portion of the power plant machinery as is to be operated and maintained by the several lessees, including the cost of repairs and replacements, together with such readjustment as to replacements as is provided for in paragraph 3 in this Article; it being understood that such readjusted rates shall under no circumstances exceed the value of said energy, based upon competitive conditions at distributing points or competitive centers.

The charges agreed to be paid by the Municipality to the United States, for credit to the City as generating agency, in this Article, shall be such proportion of the cost incurred by such generating agency as it and the City may agree, or failing such agreement, as the Secretary may determine.

The term "cost", as used with reference to generating energy, shall include a proper proportionate allowance for amortization for the cost of machinery and equipment as provided in Paragraph a of Article 9 of Exhibit A hereof, and interest on the prepayments thereof made by the City, a proper proportionate part of any annuity set-up in accordance with regulations of the Secretary provided for in Subdivision 3 of Article Sixteen (16) of Exhibit "A" hereof, and any additional expenditures made by the City with the approval of the Secretary, for the purpose of meeting the obligation of the City to make replacements; and a proper proportionate part of the actual outlay of the City for operating such machinery and equipment and keeping the same in repair, including reasonable overhead charges. The extent of the allowance for the several items in the event of disagreement between the City and Municipality, and the system of accounting therefor, shall be prescribed by the Secretary under uniform regulations as required by Section 6 of the Boulder Canyon Project Act.

MONTHLY PAYMENTS AND PENALTIES

(13) The Municipality shall pay monthly for energy in accordance with the rates established or provided for herein, and for the generation thereof as provided in Article twelve (12).

When energy taken in any month is not in excess of one-twelfth (1/12) of the minimum annual obligation, bill for such month shall be computed at the rate for firm energy in effect when such energy was taken on the basis of the

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actual amount of energy used during such month, provided, however, that the bill for the month of May shall not be less than the difference between the minimum annual payment, as provided in Article fourteen (14) hereof, and the sum of the amounts charged for firm energy during the preceding eleven months. The United States will submit bills to the Municipality by the fifth of each month immediately following the month during which the energy is generated, and payments shall be due on the first day of the month immediately succeeding. If such charges are not paid when due, a penalty of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional penalty of one per centum (1%) of the amount unpaid shall be added on the first day of each calendar month thereafter during such delinquency.

The monthly charge for generation of such energy to be credited to the generating agency shall be in such amount as may be determined in accordance with Article twelve (12) hereof.

MINIMUM ANNUAL PAYMENT

(14) The minimum quantity of firm energy which the municipality shall take and/or pay for each year (June 1st to May 31st, inclusive), under the terms of this contract, and after the same is ready for delivery to the Municipality, as provided in subdivision (a) of Article eleven (11) hereof, shall be one and eight thousand eight hundred sixty-seven ten thousandths per centum (1.8867%) of all firm energy as defined in Article nine (9) hereof, available in said year. The total payments made by the Municipality for firm energy available in any year (June 1st to May 31st, inclusive), whether any energy is taken by it, or not, exclusive of its payments for credit to the generating agency, shall be not less than the number of kilowatt-hours of firm energy which the Municipality is obligated to take and/or pay for during said year, multiplied by one and sixty-three hundredths mills ($0.00163), or multiplied by the adjusted rate of payment for firm energy in case the said rate is adjusted as provided in Article twelve (12) hereof. For a fractional year at the beginning or end of the contract period, the minimum annual payment for firm energy shall be proportionately adjusted in the ratio that the number of days water is available for generation of energy in such fractional year bears to three hundred sixty-five (365). Provided, that the minimum annual payment shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article seventeen (17) hereof.

The minimum annual payments made by the Municipality for generation of such energy, to be credited to the generating agency, shall be determined in accordance with Article twelve (12) hereof.

NO ENERGY TO BE DELIVERED WITHOUT PAYMENT

(15) Unless the written consent of the Secretary be first obtained, no electrical energy shall be generated for, or delivered to, the Municipality if it shall

be in arrears for more than twelve (12) months in the payment of any charge and/or penalty due or to become due the United States hereunder, whether for its own use or for credit to the generating agency.

CONTRACT MAY BE TERMINATED IN CASE OF BREACH

(16) If the Municipality shall be in arrears for more than twelve (12 months in the payment of any charge and/or penalty due or to become due to the United States hereunder, and shall not have obtained an extension of time for payment thereof, or, if such extension be obtained, has not made such payment within the time as extended, then the Secretary reserves the right forthwith upon written notice to the Municipality to terminate this contract and dispose of the energy herein allocated as he may see fit; provided, he shall first give opportunity to the City to contract on terms and conditions to be prescribed by the Secretary, for such energy, and provided further, that such disposition shall be subject to the condition that the Municipality shall have the right at any time within ten (10) years from date of the first of the defaults or breaches for which the contract is terminated, to become reinstated hereunder by payment to the United States of all arrearages and penalties, if any, together with any and all loss incurred by the United States by reason of such termination, and compensation to the contractor or contractors for equipment rendered idle by such reinstatement. In case of disagreement or dispute as to any of the items so to be paid the same shall be determined as provided in Article 22 hereof. Nothing contained in this contract shall relieve the Municipality from the obligation to make the United States whole, for the period of this contract, for all loss and/or damage occasioned by the failure of the Municipality to take and/or pay for energy as provided in this contract. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any other provisions hereof, or of a subsequent breach of such provision.

INTERRUPTIONS IN DELIVERY OF WATER

(17) The United States will deliver water continuously to each lessee in the quantity, in the manner, and at the times necessary for the generation of the energy which each of said lessees has the right and/or obligation to generate under this contract in accordance with the load requirements of each of said lessees, and of allottees for which the respective lessees are generating agencies, excepting only that such delivery shall be regulated so as not to interfere with the necessary use of said Hoover Dam and Boulder Canyon Reservoir for river regulation, improvement of navigation, flood control, irrigation, or domestic uses, and the satisfaction of present perfected rights in or to the waters of the Colorado River, or its tributaries, in pursuance of Article VIII of the Colorado River Compact, and this contract is made upon the express condition, and with

the express covenant, that the rights of the Municipality to the waters of the Colorado River or its tributaries, are subject to, and controlled by, the Colorado River Compact. The United States reserves the right temporarily to discontinue or reduce the delivery of water for the generation of energy at any time for the purpose of maintenance, repairs and/or replacements, or installation of equipment, and for investigations and inspections necessary thereto; provided, however, that the United States shall except in case of emergency give to the lessees reasonable notice in advance of such temporary discontinuance or reduction, and that the United States shall make such inspections and perform such maintenance and repair work after consultation with the lessees at such times and in such manner as will cause the least inconvenience to the lessees, and shall prosecute such work with diligence, and, without unnecessary delay, will resume delivery of water so discontinued or reduced. Should the delivery of water be discontinued or reduced below the amount required for the normal generation of firm energy for the payment of which said Municipality has hereby obligated itself, the total number of hours of such discontinuance or reduction in any year shall be determined by taking the sum of the number of hours during which the delivery of water is totally discontinued, and the product of the number of hours during which the delivery of water is partially reduced and the percentage of said partial reduction below the actual quantity of water required by the lessees, severally, for the normal generation of firm energy. Total or partial reductions in delivery of water which do not reduce the power output below the amount required at the time by such lessee for the normal generation of firm energy, will not be considered in determining the total hours of discontinuance in any year. The minimum annual payment specified in Article fourteen (14) hereof shall be reduced by the ratio that the total number of hours of such discontinuance bears to eight thousand seven hundred sixty (8,760). In no event shall any liability accrue against the United States, its officers, agents and/or employees, for any damage, direct or indirect, arising on account of drought, hostile diversion, Act of God, or of the public enemy, or other similar cause; nevertheless interruptions in delivery of water occasioned by such causes shall be governed as hereinabove provided in this article.

MEASUREMENT OF ENERGY

(18) All energy shall be measured at generator voltage and suitable metering equipment shall be provided and installed by the United States for this purpose. Suitable correction shall be made in the amounts of energy as measured at generator voltage to cover step-up transformer losses and energy required for operation of station auxiliaries, in determining the amounts of energy delivered at transmission voltage as provided in this contract. The said meter equipment shall be maintained by and at the expense of the respective lessees. Meters shall be tested at any reasonable time upon the request of either the United States or a

lessee, and in any event they shall be tested at least once each year. If the test discloses that the error of any meter exceeds one per centum (1%), such meter shall be adjusted so that the error does not exceed one-half of one per centum (½%). Meter equipment shall be tested by means of suitable testing equipment which will be provided by the United States, and which shall be calibrated by the United States Bureau of Standards as often as requested by any party hereto. Meters shall be kept sealed, and the seals shall be broken only in the presence of representatives of both the United States and the lessees respectively and likewise all test of meter equipment shall be conducted only when representatives of both the United States and the respective lessees are present. In the event that energy furnished to the Municipality at Boulder Canyon is transmitted over lines of another contractor, the meters at Boulder Canyon will record only the total amounts of energy delivered to the operators of main transmission lines and it will not be possible to determine from these meters the division of the energy between the various Municipalities and the operator. The Municipality or the operator of said lines shall provide suitable meter equipment, satisfactory to the Secretary, at the point where the energy is delivered by the operator of said lines to the Municipality, for determining the amounts of energy delivered to the Municipality at said point and to these amounts there shall be added proper corrections to cover transformer and line losses in determining the amounts of energy furnished to the Municipality at Boulder Canyon. The Secretary's determination of said amounts shall be conclusive.

INSPECTION BY THE UNITED STATES

(19) The Secretary or his representatives shall have free access at all reasonable times to the books and records of the Municipality relating to the disposal of electrical energy, with the right at any time during office hours to make copies of or from the same.

TRANSMISSION

(20) The City having, in Article twenty-five (25) of Exhibit A hereof undertaken that it shall construct, operate and maintain at cost, including allowance for necessary overhead expense, the main transmission lines required for transmitting all Boulder Canyon energy allocated to the Municipality to the receiving station at the Pacific Coast end of the City's main transmission lines, the Municipality agrees to pay its pro rata of the cost of construction, operation and maintenance of said lines as it and the City may agree, and the Secretary will, when notified by the City that arrangements to that effect have been concluded by the City and Municipality, cause delivery of energy at transmission voltage to be made accordingly. In the event that an operator of main transmission lines other than the City transmits the energy allocated to the Municipality pursuant to Exhibit "A", Article 25 (b), the obligation of the Municipality under this

paragraph shall apply for the benefit of such other operator as though it has been named herein instead of the City. In any event, disputes and disagreements between the Municipality and the operator of main transmission lines shall be determined in accordance with Article 22 (a) hereof. Nothing herein contained, however, shall relieve the Municipality of the obligation to pay the United States for energy contracted for by it, whether transmitted or not.

DURATION OF CONTRACT

(21) This contract shall not become effective for any purpose unless on or before November 16, 1931, two-thirds of the qualified electors of the Municipality voting at an election to be held for that purpose, have assented that the Municipality shall incur the indebtedness and liability of this contract, and make provision for the collection of an annual tax sufficient to pay to the United States each year the minimum annual obligation of the Municipality under this contract, or any portion thereof not paid from other sources. After having become effective this contract shall remain in effect until the expiration of a period of fifty (50) years from the date at which energy is ready for delivery to the City, as announced by the Secretary. The holder of any contract for electrical energy, including the Municipality, not in default thereunder, shall be entitled to a renewal thereof upon such terms and conditions as may be authorized or required under the then existing laws and regulations, unless the property of such holder dependent for its usefulness on a continuation of the contract be purchased or acquired and such contractor be compensated for damages to its property, used and useful in the transmission and distribution of such electrical energy and not taken, resulting from the termination of the supply.

DISPUTES AND DISAGREEMENTS

(22) (a) Disputes or disagreements arising under this contract between the Municipality and any lessee or other allottee shall be arbitrated by three arbitrators, except where otherwise provided in this contract. The Municipality shall name one arbitrator, and the other disputant shall name one. These two shall name the third. If either disputant has notified the other that arbitration is demanded and that it has named an arbitrator, and if thereafter the other disputant fails to name an arbitrator for fifteen days, the Secretary, if requested by either disputant shall name such arbitrator, who shall proceed as though named by the disputant. The two arbitrators so named shall meet within five days after appointment of the second, and name the third. If they fail to do so, the Secretary will, on request by either disputant or arbitrator, name the third. A decision by any two of the three arbitrators shall be binding on the disputants and enforceable by court proceedings or by the Secretary in his discretion. Arbitration as herein provided, or the failure of the arbitrators to render

a decision within six months of appointment of the third arbitrator, shall be a condition precedent to suit by either disputant against the other upon the matter in dispute.

(b) Disputes or disagreements between the United States and the Municipality as to the interpretation or performance of the provisions of this contract shall be determined either by arbitration or court proceedings, the Secretary of the Interior being authorized to act for the United States in such proceedings. Whenever a controversy arises out of this contract, and the disputants agree to submit the matter to arbitration, the Municipality shall name one arbitrator and the Secretary shall name one arbitrator, and the two arbitrators thus chosen shall elect three other arbitrators, but in the event of their failure to name all or any of the three arbitrators within five (5) days after their first meeting, such arbitrators, not so elected, shall be named by the Senior Judge of the United States Circuit Court of Appeals for the Ninth Circuit. The decision of any three of such arbitrators shall be a valid and binding award of the arbitrators.

USE OF PUBLIC AND RESERVED LANDS OF THE UNITED STATES

(23) The use is authorized of such public and reserved lands of the United States as may be necessary or convenient for the construction, operation and maintenance of main transmission lines, to transmit electrical energy generated at Hoover Dam, together with the use of such public and reserved lands of the United States as may be designated by the Secretary, from time to time, for camp sites, residences for employees, warehouses and other uses incident to the operation and maintenance of the power plant and incidental works.

PRIORITY OF CLAIMS OF THE UNITED STATES

(24) Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured, and the Municipality shall exercise all its powers including the power of taxation, and the powers of assessment, levying and collection of taxes of every kind, which the Municipality has or may acquire, for the provision of funds which may become due to the United States under this contract.

TRANSFER OF INTEREST IN CONTRACT

(25) No voluntary transfer of this contract, or of the rights hereunder, shall be made without the written approval of the Secretary; and any successor or assign of the rights of the Municipality, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the conditions of the Boulder Canyon Project Act and also subject to all the provisions and conditions of this contract to the same extent as though such successor or assign

were the original contractor hereunder; provided that, a mortgage or trust deed or judicial sales made thereunder shall not be deemed voluntary transfers within the meaning of this article.

RULES AND REGULATIONS

(26) This contract is subject to such rules and regulations conforming to the Boulder Canyon Project Act as the Secretary may from time to time promulgate; provided, however, that no right of the Municipality hereunder shall be impaired or obligation of the Municipality hereunder, shall be extended thereby; and provided further that opportunity for hearing shall be afforded the Municipality by the Secretary prior to promulgation thereof.

AGREEMENT SUBJECT TO COLORADO RIVER COMPACT

(27) This contract is made upon the express condition and with the express understanding that all rights hereunder shall be subject to and controlled by the Colorado River Compact, being the compact or agreement signed at Santa Fe, New Mexico, November 24, 1922, pursuant to Act of Congress approved August 19, 1921, entitled "An Act to permit a compact or agreement between the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming, respecting the disposition and apportionment of the waters of the Colorado River, and for other purposes," which Compact was approved in Section 13 (a) of the Boulder Canyon Project Act.

CONTINGENT UPON APPROPRIATIONS

(28) This contract is subject to appropriations being made by Congress from year to year of moneys sufficient to do the work provided for herein, and to there being sufficient moneys available in the Colorado River Dam Fund to permit allotments to be made for the performance of such work. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient moneys not being so appropriated or on account of there not being sufficient moneys in the Colorado River Dam fund to permit of said allotments. This agreement is also subject to the condition that if for any other reason construction of Hoover Dam is not prosecuted to completion with reasonable diligence, then and in such event either party hereto may terminate its obligations hereunder upon one (1) year's written notice to the other party hereto.

TITLE TO REMAIN IN UNITED STATES

(29) As provided by Section six (6) of the Boulder Canyon Project Act, the title to Hoover Dam, reservoir, plant and incidental works, shall forever remain in the United States.

REMEDIES UNDER CONTRACT NOT EXCLUSIVE

(30) Nothing contained in this contract shall be construed as in any manner abridging, limiting or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have.

MEMBER OF CONGRESS CLAUSE

(31) No Member of or Delegate to Congress or Resident Commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom. Nothing, however, herein contained shall be construed to extend to this contract if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above writen.

THE UNITED STATES OF AMERICA,
By RAY LYMAN WILBUR,
Secretary of the Interior.

THE CITY OF GLENDALE,
By FRANK P. TAGGART, *Mayor.*

[SEAL]

Approved as to form:
By BERNARD BRENNAN, *City Attorney.*

Attest:
G. E. CHAPMAN, *City Clerk.*

[ITEM 42]

BOULDER CANYON PROJECT

CONTRACT FOR ELECTRICAL ENERGY

THE UNITED STATES

AND

LOS ANGELES GAS AND ELECTRIC CORPORATION

NOVEMBER 12, 1931

(11r–671)

(1) THIS CONTRACT, made this 12th day of November, nineteen hundred thirty-one, pursuant to the Act of Congress approved June 17, 1902 (32 Stat., 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the reclamation law, and particu-

larly pursuant to the Act of Congress approved December 21, 1928 (45 Stat., 1057), designated the Boulder Canyon Project Act, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by Ray Lyman Wilbur, Secretary of the Interior, hereinafter styled the Secretary, and LOS ANGELES GAS AND ELECTRIC CORPORATION, a corporation organized and existing under and by virtue of the laws of the State of California, hereinafter styled the Allottee;

WITNESSETH:

EXPLANATORY RECITALS

(2) WHEREAS, for the purpose of controlling the floods, improving navigation and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters for reclamation of public lands and other beneficial uses exclusively within the United States, and for the generation of electrical energy, the Secretary, subject to the terms of the Colorado River Compact, is authorized to construct, operate and maintain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon, adequate to create a storage reservoir of a capacity of not less than twenty million acre-feet of water; also to construct, equip, operate and maintain at or near said dam, or cause to be constructed, a complete plant and incidental structures suitable for the fullest economic development of electrical energy from the water discharged from said reservoir; and

(3) WHEREAS, after full consideration of the advantages of both the Black Canyon and Boulder Canyon dam sites, the Secretary has determined upon Black Canyon as the site of the aforesaid dam, hereinafter styled the Hoover Dam, and has determined that the revenues provided for by this contract, together with other contracts in accordance with the provisions of the Boulder Canyon Project Act, are adequate in his judgment to insure payment of all expenses of operation and maintenance of the Hoover Dam and appurtenant works incurred by the United States, and the repayment within fifty (50) years from the date of completion of said works of all amounts advanced to the Colorado River Dam Fund under subdivision (b) of Section 2 of the Boulder Canyon Project Act, together with interest thereon made reimbursable under said Act; and

(4) WHEREAS, the United States has entered into an agreement of date April 26, 1930, with the City of Los Angeles (hereinafter styled the City) and Southern California Edison Company Ltd., (hereinafter styled the Company severally (both hereinafter referred to as the lessees) for the lease, and the operation and maintenance, of a Government-built power plant to be constructed at Hoover Dam, together with the right to generate electrical energy (a copy of which said lease as amended by supplemental agreements of date May 28, 1930, and September 23, 1931, is attached hereto marked Exhibit "A," and by this reference made a part hereof); and WHEREAS in said lease

the Secretary has reserved the authority to, and in consideration of the execution thereof is authorized by each of the aforesaid lessees, severally, to contract with other allottees named in the allocation set forth therein for the furnishing of energy to such allottees at transmission voltage in accordance with the allocation to each allottee, and the Secretary is therein granted by each lessee, severally, the power in accordance with the provisions thereof to enforce as against each lessee the rights to be acquired by such other allottees by contracts to be entered into with the United States; and WHEREAS in said lease the Company has agreed to generate energy allocated to the Allottee; and

(5) WHEREAS, the Company, the Allottee, The Southern Sierras Power Company, and San Diego Consolidated Gas and Electric Company have mutually agreed upon a division of all energy for which the Company is obligated and/or entitled to take under said agreement marked Exhibit "A," on the basis of seventy-five per centum (75%) thereof to the Company, ten per centum (10%) thereof to the Allottee, ten per centum (10%) thereof to The Southern Sierras Power Company, and five per centum (5%) thereof to San Diego Consolidated Gas and Electric Company, and the Allottee is desirous of entering into a contract with the United States for the purchase of electrical energy to be generated at the power plant to be leased, as aforesaid, to the Company;

(6) NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to wit:

ALLOCATION OF ELECTRICAL ENERGY

(7) The United States will cause electrical energy to be delivered to the Allottee under and in pursuance of and subject to the provisions of the aforesaid lease, attached hereto as Exhibit "A," throughout the period during which the Company is obligated or entitled to take energy under said lease, in accordance with the following allocation, to wit:

Of Firm Energy, as defined in article eight (8) hereof:

A. To the State of Nevada, for use in Nevada, not exceeding eighteen per centum (18%) of said total firm energy.

B. To the State of Arizona, for use in Arizona, not exceeding eighteen per centum (18%) of said total firm energy. Should either of the States not take its full eighteen per centum (18%) allocation within a period of twenty (20) years hereof, the other may then contract for the energy not so taken up to four per centum (4%) of the total firm energy, provided that the combined amount used by the two states shall not, at any time, exceed thirty-six per centum (36%) of such total firm energy.

C. To The Metropolitan Water District of Southern California for pumping Colorado River water into and in its aqueduct for the use of such District within the following limits:

(1) Thirty-six per centum (36%) of said total firm energy, plus

(2) All secondary energy developed at the Hoover Dam power plant as provided in article thirteen (13) hereof, plus

(3) So much of the firm energy allocated to the States, the City, the Company, and the Allottee, as may not be used by them. Energy allocated to the States, but not in use by them, shall be released to the district by the two lessees as hereinafter in this subdivision three (3) provided. Unless otherwise agreed upon by said lessees such release shall be made on the basis of one-half by the City, and one-half by the Company and the Allottee collectively; provided, however, that in any such case the Allottee shall release ten per centum (10%) of all energy required to be released by the Company and the Allottee collectively.

(a) If the District makes a firm contract with the Secretary for the balance of the lease period for part or all of such unused States energy (subject to the first right of the States thereto), such contract shall be made effective upon two years' written notice to the Secretary, and compensation to the lessees, respectively, for main transmission line property rendered idle;

(b) If the District does not so make a firm contract for such energy, then energy allocated to the States but not in use by them, shall be released to the District upon not less than fifteen months' written notice to the Secretary and at such compensation as the District and such lessees, respectively, may agree upon, to cover cost and overhead of replacing energy which otherwise would have been received at the Pacific Coast end of the main transmission lines by the lessees, respectively. Such cost shall include interest on and depreciation and operation and maintenance of the plant capacity while required for the generation of such substitute energy; and also appropriate allowance for interest on and maintenance and depreciation of plant capacity rendered idle because of cessation of generation of such substitute energy until such time as such plant capacity would otherwise have been installed by the lessees, respectively, for their own requirements. If the District and the respective lessees fail to agree on such compensation, such energy shall nevertheless be released to the District, and the disagreement shall be determined in accordance with Article twenty-one (21) (a) hereof. Such a determination shall include allowance for items of cost and overhead as specified in this paragraph. Pending such determination, energy so released shall be paid for by the District at the rate for firm energy but the determination of compensation under Article twenty-one (21) (a) hereof shall not be controlled by such rate.

During any year beginning June first, the District shall not use any secondary energy or any unused State energy, until it has first used subsequent to June first, next preceding, an amount of firm energy equivalent to one-twelfth (1/12) of the amount of firm energy it is obligated to take and/or pay for annually multiplied by the number of months elapsed since June first next preceding.

(4) If, due to temporary deficiency in secondary energy regularly used by the District, substitute energy is requested by the District in excess of the energy made available under the foregoing sub-paragraph (3) (b) the City and/or the Company and/or the Allottee may release so much energy as may be practicable on the same terms as provided in sub-section (3) (b) preceding.

D. To the municipalities of Anaheim, Beverly Hills, Burbank, Colton, Fullerton, Glendale, Newport Beach, Pasadena, Riverside, San Bernardino and Santa Ana (referred to herein as "the municipalities" six per centum (6%) in all, to be allocated between them as they may agree, but if no agreement is submitted to the Secretary on or before November 16, 1931, the Secretary shall determine the allocation of each.

E. To the City of Los Angeles, thirteen per centum (13%).

F. To Southern California Edison Company Ltd., The Southern Sierras Power Company, San Diego Consolidated Gas and Electric Company, and Los Angeles Gas and Electric Corporation, referred to herein as the companies, nine per centum (9%) in all,

whereof ten per centum (10%) of said nine per centum (9%), being nine-tenths of one per centum (0.9 of 1%) of all firm energy, shall be taken and/or paid for by the Allottee.

It is further agreed that:

(i) So much of the energy allocated to the States (thirty-six per centum (36%) of the firm energy) and not in use by them, or failing their use, by the District for the above purposes, shall be taken and/or paid for one-half by the City, and one-half by the Company and the Allottee collectively, of which said latter one-half ten per centum (10%) shall be taken and/or paid for by the Allottee.

In addition, all firm energy allocated to the City thirteen per centum (13%), shall be taken and paid for by the City.

(ii) All of the energy allocated to the municipalities may be contracted for in compliance with regulations of the Secretary, by any one or more of them, as they may agree, on or before November 16, 1931. So much of the energy allocated to the municipalities as is not so contracted for, or if contracted for, not used by them directly or under contract for municipal purposes and/or distribution to their inhabitants, shall be taken and paid for by the City.

(iii) So much of the energy allocated to The Southern Sierras Power Company, the San Diego Consolidated Gas and Electric Company and the Los Angeles Gas and Electric Corporation as is not firmly contracted for by them, severally, in compliance with regulations of the Secretary on or before November 16, 1931, shall be taken and/or paid for by the Company.

(iv) If any allottee is permitted by the United States to divert water from the reservoir, at a time when the reservoir is not spilling, in consequence of which the amount of energy which would have been utilized is diminished, such dimunition shall be debited to the allocation of firm energy herein made to such allottee; and charge for the energy equivalent of such diversion shall be made, and the amount of energy which the allottee shall otherwise be obligated to take and/or pay for hereunder shall be correspondingly reduced.

The reservoir shall be considered as spilling whenever water is being discharged in excess of the amount used for the generation of power, whether such waste occurs over the spillway or otherwise.

(v) Each of the States of Arizona and Nevada may, from time to time within the period of the aforesaid lease, contract for energy for use within such State in any amount until the total allocated, respectively, to each is in use as provided above; and may terminate such contract, or contracts, without prejudice to the right to again contract for such energy. All such contracts shall be executed with the Secretary. A contract requiring one thousand (1,000) horsepower (of maximum demand) or less may become effective or be terminated on six months' written notice of requirement or termination given the Director by the State; provided, that the notice given shall be two years if in the twelve months preceding said notice of demand the total increment to such State has exceeded five thousand (5,000) horsepower of maximum demand or if in the twelve months preceding said notice of termination the decrement to such State has exceeded five thousand (5,000) horsepower of maximum demand. In all cases the Director shall immediately transmit such notice to each lessee. Whenever the amount in use is in excess of five thousand (5,000) horsepower of maximum demand, the lessees, and the Allottee, respectively, shall be compensated for property rendered idle by use of such excess in such amount as the Secretary shall determine to be equitable. Firm energy not contracted for by the States shall be available for use by the District as herein elsewhere provided, and if not in use by the States and/or the District, shall be taken and paid for, one-half by the City, and one-half by the Com-

pany and the Allottee, of which latter one-half the Allottee shall take and/or pay for ten per centum (10%). No right which may be available to a State under Section five (5) (c) of the Boulder Canyon Project Act to execute a firm contract for electrical energy for use within the States shall be impaired by any provision of this contract.

Of Secondary Energy

It is further agreed that the District shall have the right to purchase and use all secondary energy as provided in Article eight (8) and Article thirteen (13) hereof for the purposes stated in the first paragraph of subdivision (C) of this Article. The City shall have the right to purchase and use one-half of all secondary energy not used by the District. The Company and the Allottee shall also have the right to purchase and use one-half of all secondary energy not used by the District, of which said one-half the Allottee shall have the right to purchase and use ten per centum (10%). Any such energy not used by one lessee shall be available, for the time being, to the other lessee; provided, however, that of any such energy available to the Company, the Allottee shall be entitled to purchase and use ten per centum (10%). If secondary energy is not taken by the District, the City, the Company, and/or the Allottee, then and in such event the United States reserves the right to take, use and dispose of such energy, from time to time, as it sees fit, giving credit therefor as provided in article twelve (12) of Exhibit "A" hereof.

Of Firm Energy Allocated to but not Used by the District

It is further agreed that in the event the District shall fail for any reason to use all or any of the firm energy herein allotted to it for the only purpose for which said firm energy is allotted to it, that is, for pumping water into and in its aqueduct, then the Secretary shall dispose of such unused energy until required by the District for said purpose, crediting on the District's obligation the proceeds of such disposition as received; provided, however, that no disposition of such firm energy shall be made by the Secretary without first giving to a successor to the District which may undertake to build or maintain a Colorado River Aqueduct the opportunity to take said firm energy for the same purpose and under the same terms as those to which the District was obligated; and provided further that in the event no such successor takes said firm energy as provided above, then no disposition of such firm energy shall be made by the Secretary without first giving to the City, the Company and the Allottee the right to contract for such energy on equal terms and conditions to be prescribed by the Secretary. In such case, the City shall have the right to contract for one-half of such energy, together with such portion of the remainder as the Company and the Allottee shall not elect to take, and the Company and the Allottee shall have the right to contract for one-half of such energy, together with such portion of the remainder as the City shall not elect to take; provided, that of the amount of such energy which the Company and the Allottee jointly shall be entitled to take hereunder, the Allottee shall have the right to contract for ten per centum (10%).

Of Firm Energy not Hereinbefore Disposed of

It is further agreed that the United States reserves the right, in case the dam which it erects provides a maximum water surface elevation in excess of one thousand two hundred twenty-two (1,222) feet above sea level (U. S. Geological Survey Datum), and thereby increase the quantity of firm energy above the quantity of four billion two hundred forty million (4,240,000,000) kilowatt-hours allocated above, to dispose of such increase, but not to exceed ninety million (90,000,000) kilowatt-hours per year (June 1st to May 31st, inclusive), to any municipality or municipalities by firm contract executed with the Secretary on or before November 16, 1931. Such disposition shall be without prejudice to any provision of this contract or of the allocation above referred to. So much of such additional energy as is not so contracted for shall be

taken and paid for by the City. Generation of such additional energy shall in any event be effected by the City.

FIRM AND SECONDARY ENERGY DEFINED

(8) The amount of firm energy for the first year of operation (June 1 to May 31, inclusive), following the date of the completion of the dam as announced by the Secretary, shall be defined as being four billion two hundred forty million (4,240,000,000) kilowatt-hours at transmission voltage. For every subsequent year the amount defined as firm energy shall be decreased by eight million seven hundred sixty thousand (8,760,000) kilowatt-hours from that of the previous year.

Nevertheless, if it be determined by the Secretary that the rate of decrease of kilowatt-hours per year as above stated, is not in accord with actual conditions, the Secretary reserves the right to fix a lesser rate for any year (June 1st to May 31st, inclusive), in advance.

If, by reason of international obligations arising through treaty or otherwise subsequent to the effective date of this contract, or by reason of interference with the progress of construction and/or operation of the dam as provided for and contemplated by this contract, or by reason of other contingencies not now forseen, the amount of firm energy available through the release of water from the Boulder Canyon Reservoir shall in fact be less than the amount of firm energy as above defined, then in any such event the obligation of the Allottee to take electrical energy shall be reduced in an amount corresponding to such change. If for any reason the United States shall be wholly unable to fulfill its obligations hereunder in respect of the delivery of water, then the Allottee may terminate this contract.

If the dam erected by the United States provides a maximum water surface elevation in excess of 1,222 feet above sea level (U. S. Geological Survey Datum), the United States reserves the right to dispose of additional firm energy thereby made available, not to exceed ninety million (90,000,000) kilowatt-hours per year, subject to pro rata of the eight million seven hundred sixty thousand (8,760,000) kilowatt-hours annual dimunition above provided for.

The term "secondary energy" wherever used herein shall mean all electrical energy generated in one year (June 1st to May 31st, inclusive), in excess of the amount of firm energy as hereinabove defined, available in such year.

GENERATING AGENCIES

(9) In accordance with designation heretofore made by the Secretary, generation of energy allocated to the Allottee shall be effected by the Company as agreed in Exhibit "A" annexed.

Disputes and disagreements between the Allottee and the Company generat-

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ing energy for it, with respect to such generation, and/or the cost thereof, shall be determined by the Secretary unless otherwise specifically provided in this contract.

DELIVERY OF ELECTRICAL ENERGY

(10) (a) Energy shall be ready for delivery to the City and to the municipalities including those contracting under the last paragraph of Article seven (7) hereof when the Secretary announces that one billion two hundred fifty million (1,250,000,000) kilowatt-hours of energy per year is ready for delivery.

(b) Energy shall be ready for delivery to the District when the Secretary announces that two billion (2,000,000,000) kilowatt-hours of energy per year is available, which date, however, shall not be sooner than one (1) year after energy is ready for delivery to the City, provided, however, that the time when energy is ready for delivery to the District may be advanced subject to the approval of the Secretary, should the District so request, and that in such case the City shall be compensated by the District for interest and depreciation on and maintenance and operation of its main transmission line in case the total energy available to the City is reduced below one billion two hundred fifty million (1,250,000,000) kilowatt-hours per annum, in the proportion that such kilowatt-hours available to the City is less than one billion two hundred fifty million (1,250,000,000).

(c) Energy shall be ready for delivery to the Company and to the Allottee when the Secretary announces that water capable of generating four billion two hundred forty million (4,240,000,000) kilowatt-hours of energy per year is available, which date, however, shall not be sooner than three (3) years after commencement of delivery of energy to the City and which shall not be until the water surface in Boulder Canyon Reservoir on August first immediately preceding has reached an elevation of eleven hundred fifty (1,150) feet above sea level (U. S. Geological Survey Datum); provided, however, that the Secretary may require the Company and the Allottee to assume their obligations to take and/or pay for Boulder Canyon energy in accordance with the provisions of this contract on the first day of the calendar month next following the date when the Company's system maximum demand in kilowatts is equal to or greater than it was at any time during the twelve month period immediately preceding the date when the City commences to obtain energy from Boulder Canyon power plant. "Maximum demand," as used in the sentence next preceding, shall be defined as the average of the five largest half-hourly peaks during any single month, after deducting therefrom the amount of kilowatts the Company may be temporarily carrying for any purpose other than supplying its own normal load.

(d) Upon written notification from the Secretary that generation equipment is ready for operation by it and water is available for generating energy therefrom, each lessee will be required to assume the operation and main-

tenance of its respective portion of the power plant, and thereafter the Allottee shall not look to the United States for compensation for injury and/or damages of any kind which may in any manner arise out of the operation and maintenance of the portion of such plant leased to the Company.

CHARGES TO BE PAID THE UNITED STATES

(11) In consideration of this contract, the Allottee agrees:

(1) To pay the United States for the use of falling water for generation of energy for the Allottee as follows:

(a) One and sixty-three hundredths mills ($0.00163) per kilowatt-hour (delivered at transmission voltage) for all firm energy allocated to it;

(b) One-half mill ($0.0005) per kilowatt-hour (delivered at transmission voltage) for secondary energy;

(2) To pay the United States, for credit to the Company, on account of the use of the leased equipment as herein elsewhere provided; and

(3) To pay the United States, for credit to the Company, on account of maintenance of said equipment in first class operating condition, including repairs to and replacements of machinery; provided, however, that, if the expenditures for replacements shall exceed at any time the sum accumulated by the Company as a depreciation reserve in accordance with rules and regulations prescribed by the Secretary, pursuant to the Boulder Canyon Project Act, less all amounts previously withdrawn for replacements, then the rates aforesaid shall be readjusted as hereinafter provided so as to reimburse the Company for such excess expenditures within the term of this contract.

At the end of fifteen (15) years from the date of execution of said Exhibit "A" (April 26, 1930) and every ten (10) years thereafter, the above rates of payment for energy shall be readjusted upon demand of either party hereto, either upward or downward as to price, as the Secretary may find to be justified by competitive conditions at distributing points or competitive centers.

The rate for falling water for generation of firm energy, which shall be uniform for both lessees and the Allottee, provided for by any such readjustment shall be arrived at by deducting from the price of electrical energy justified by competitive conditions at distributing points or competitive centers—(1) all fixed and operating costs of transmission to such points—(2) all fixed and operating costs of such portion of the power plant machinery as is to be operated and maintained by the several lessees, including the cost of repairs and replacements, together with such readjustment as to replacements as is provided for in paragraph 3 in this Article; it being understood that such readjusted rates shall under no circumstances exceed the value of said energy, based upon competitive conditions at distributing points or competitive centers.

The charges agreed to be paid by the Allottee to the United States, for credit to the Company as generating agency, in this Article, shall be such proportion of the cost incurred by such generating agency as the generating agency and the Allottee may agree, or failing such agreement, as the Secretary may determine.

The term "cost," as used with reference to generating energy, shall include a proper proportionate allowance for amortization for the cost of machinery and equipment as provided in Paragraph (a) of Article 9 of Exhibit "A" hereof, and interest on the prepayments thereof made by the Company, a proper proportionate part of any annuity set-up in accordance with regulations of the Secretary provided for in Subdivision 3 of Article sixteen (16) of Exhibit "A" hereof, and any additional expenditures made by the Company with the approval of the Secretary, for the purpose of meeting the obligation of the Company to make replacements; and a proper proportionate part of the actual outlay of the Company for operating such machinery and equipment and keeping the same in repair, including reasonable overhead charges. The extent of the allowance for the several items in the event of disagreement between the Company and the Allottee, and the system of accounting therefor, shall be prescribed by the Secretary under uniform regulations as required by Section 6 of the Boulder Canyon Project Act.

MONTHLY PAYMENTS AND PENALTIES

(12) The allottee shall pay monthly for energy in accordance with the rates established or provided for herein, and for the generation thereof as provided in Article eleven (11).

When energy taken in any month is not in excess of one-twelfth (1/12) of the minimum annual obligation, bill for such month shall be computed at the rate for firm energy in effect when such energy was taken on the basis of the actual amount of energy used during such month. All energy used during any month in excess of one-twelfth (1/12) of the minimum annual obligations shall be paid for at the rate for secondary energy in effect when such energy was taken; provided, however, that the secondary rate shall not apply to any energy taken during any month unless and until an amount of energy equivalent to one-twelfth (1/12) of the minimum annual obligation has been taken for all months beginning with the month of June immediately preceding; provided, however, that the bill for the month of May shall not be less than the difference between the minimum annual payment, as provided in Article thirteen (13) hereof, and the sum of the amounts charged for firm energy during the preceding eleven months. The United States will submit bills to the Allottee by the fifth of each month immediately following the month during which the energy is generated, and payments shall be due on the first day of the month immediately succeeding. If such charges are not paid when due, a penalty of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional penalty of one per centum (1%) of the amount unpaid shall be added on the first day of each calendar month thereafter during such delinquency.

The monthly charge for generation of such energy to be credited to the

generating agency shall be in such amount as may be determined in accordance with Article eleven (11) hereof.

MINIMUM ANNUAL PAYMENT

(13) The minimum quantity of firm energy which the Allottee shall take and/or pay for each year (June 1st to May 31st, inclusive), under the terms of this contract, and after the same is ready for delivery to the Company, as provided in subdivision (c) of Article ten (10) hereof, shall be two and seven-tenths per centum (2.7%) of all firm energy as defined in Article eight eight (8) hereof, available in said year, except as reduced by ten per centum (10%) of one-half of amounts of firm energy allocated to the States of Arizona and Nevada, and contracted for by those States, or others, as provided in Article fourteen (14) of said contract marked Exhibit "A." The total payments made by the Allottee for firm energy available in any year (June 1st to May 31st, inclusive), whether any energy is taken by it or not, exclusive of its payments for credit to the generating agency, shall be not less than the number of kilowatt-hours of firm energy which the Allottee is obligated to take and/or pay for during said year, multiplied by one and sixty-three hundredths mills ($0.00163), or multiplied by the adjusted rate of payment for firm energy in case the said rate is adjusted as provided in Article eleven (11) hereof. For a fractional year at the beginning or end of the contract period, the minimum annual payment for firm energy shall be proportionately adjusted in the ratio that the number of days water is available for generation of energy in such fractional year bears to three hundred sixty-five (365). Provided, that the minimum annual payment shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article sixteen (16) hereof.

The minimum annual payments made by the Allottee for generation of such energy, to be credited to the generating agency, shall be determined in accordance with Article eleven (11) hereof.

NO ENERGY TO BE DELIVERED WITHOUT PAYMENT

(14) Unless the written consent of the Secretary be first obtained, no electrical energy shall be generated for, or delivered to, the Allottee if it shall be in arrears for more than twelve (12) months in the payment of any charge and/or penalty due or to become due the United States hereunder, whether for its own use or for credit to the generating agency.

CONTRACT MAY BE TERMINATED IN CASE OF BREACH

(15) If the Allottee shall be in arrears for more than twelve (12) months in the payment of any charge and/or penalty due or to become due to the United States hereunder, and shall not have obtained an extension of time

for payment thereof, or, if such extension be obtained, has not made such payment within the time as extended, then the Secretary reserves the right forthwith upon written notice to the Allottee to terminate this contract and dispose of the energy herein allocated as he may see fit; provided, he shall first give opportunity to the Company to contract on terms and conditions to be prescribed by the Secretary, for such energy; and, provided, further, that such disposition shall be subject to the condition that the Allottee shall have the right at any time within ten (10) years from the date of the first of the defaults or breaches for which the contract is terminated, to become reinstated hereunder by payment to the United States of all arrearages and penalties, if any, together with any and all loss incurred by the United States by reason of such termination, and compensation to the contractor or contractors for equipment rendered idle by such reinstatement. In case of disagreement or dispute as to any of the items so to be paid the same shall be determined as provided in Article twenty-one (21) hereof. Nothing contained in this contract shall relieve the Allottee from the obligation to make the United States whole, for the period of this contract, for all loss and/or damage occasioned by the failure of the Allottee to take and/or pay for energy as provided in this contract. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any other provisions hereof, or of a subsequent breach of such provision.

INTERRUPTIONS IN DELIVERY OF WATER

(16) The United States will deliver water continuously to each lessee in the quantity, in the manner, and at the times necessary for the generation of the energy which each of said lessees has the right and/or obligation to generate under this contract in accordance with the load requirements of each of said lessees, and of allottees for which the respective lessees are generating agencies, excepting only that such delivery shall be regulated so as not to interfere with the necessary use of said Hoover Dam and Boulder Canyon Reservoir for river regulation, improvement of navigation, flood control, irrigation, or domestic uses, and the satisfaction of present perfected rights in or to the waters of the Colorado River, or its tributaries, in pursuance of Article VIII of the Colorado River Compact, and this contract is made upon the express condition, and with the express covenant, that the rights of the Allottee to the waters of the Colorado River, or its tributaries, are subject to, and controlled by, the Colorado River Compact. The United States reserves the right temporarily to discontinue or reduce the delivery of water for the generation of energy at any time for the purpose of maintenance, repairs and/or replacements, or installation of equipment, and for investigations and inspections necessary thereto; provided, however, that the United States shall, except in case of emergency, give to the lessees reasonable notice in advance of such temporary discontinuance or reduction, and that the United States shall make

such inspections and perform such maintenance and repair work after consultation with the lessees at such times and in such manner as will cause the least inconvenience to the lessees, and shall prosecute such work with diligence, and, without unnecessary delay, will resume delivery of water so discontinued or reduced. Should the delivery of water be discontinued or reduced below the amount required for the normal generation of firm energy for the payment of which said Allottee has hereby obligated itself, the total number of hours of such discontinuance or reduction in any year shall be determined by taking the sum of the number of hours during which the delivery of water is totally discontinued, and the product of the number of hours during which the delivery of water is partially reduced and the percentage of said partial reduction below the actual quantity of water required by the lessees, severally, for the normal generation of firm energy. Total or partial reductions in the delivery of water which do not reduce the power output below the amount required at the time by such lessee for the normal generation of firm energy, will not be considered in determining the total hours of discontinuance in any year. The minimum annual payment specified in Article thirteen (13) hereof shall be reduced by the ratio that the total number of hours of such discontinuance bears to eight thousand seven hundred sixty (8,760). In no event shall any liability accrue against the United States, its officers, agents and/or employees, for any damage, direct or indirect, arising on account of drought, hostile diversion, Act of God, or of the public enemy, or other similar cause; nevertheless interruptions in delivery of water occasioned by such causes shall be governed as hereinabove provided in this article.

MEASUREMENT OF ENERGY

(17) All energy shall be measured at generator voltage and suitable metering equipment shall be provided and installed by the United States for this purpose. Suitable correction shall be made in the amounts of energy as measured at generator voltage to cover step-up transformer losses and energy required for operation of station auxiliaries, in determining the amounts of energy delivered at transmission voltage as provided in this contract. The said meter equipment shall be maintained by and at the expense of the respective lessees. Meters shall be tested at any reasonable time upon the request of either the United States or a lessee, and in any event they shall be tested at least once each year. If the test discloses that the error of any meter exceeds one per centum (1%), such meter shall be adjusted so that the error does not exceed one-half of one per centum (½%). Meter equipment shall be tested by means of suitable testing equipment which will be provided by the United States, and which shall be calibrated by the United States Bureau of Standards as often as requested by any party hereto. Meters shall be kept sealed, and the seals shall be broken only in the presence of representatives

of both the United States and the lessees, respectively, and likewise all tests of meter equipment shall be conducted only when representatives of both the United States and the respective lessees are present. In the event that energy furnished to the Allottee at Hoover Dam is transmitted over lines of another contractor, the meters at Hoover Dam will record only the total amounts of energy delivered to the operators of main transmission lines and it will not be possible to determine from these meters the division of the energy between the various allottees and the operator. The Allottee or the operator of said lines shall provide suitable meter equipment, satisfactory to the Secretary, at the point where the energy is delivered by the operator of said lines to the Allottee, for determining the amounts of energy delivered to the Allottee at said point, and to these amounts there shall be added proper corrections to cover transformer and line losses in determining the amounts of energy furnished to the Allottee at Hoover Dam. The Secretary's determination of said amounts shall be conclusive.

INSPECTION BY THE UNITED STATES

(18) The Secretary or his representative shall have free access at all reasonable times to the books and records of the Allottee relating to the disposal of electrical energy, with the right at any time during office hours to make copies of and from the same.

TRANSMISSION

(19) The Company having, in Article twenty-five (25) of Exhibit "A" hereof, undertaken that it shall transmit over its main transmission lines, constructed for carrying Boulder Canyon power, such power allocated to the Allottee as it may desire to have transmitted over such lines, the Allottee agrees to compensate the Company therefor as may be mutually agreed upon between the Company and the Allottee. In the event that an operator of main transmission lines other than the Company transmits the energy allocated to the Allottee pursuant to Exhibit "A," Article (25) (c), the obligation of the Allottee under this paragraph shall apply for the benefit of such other operator as though it had been named herein instead of the Company. In any event, disputes and disagreements between the Allottee and the operator of main transmission lines shall be determined in accordance with Article twenty-one (21) (a) hereof. Nothing herein contained, however, shall relieve the Allottee of the obligation to pay the United States for energy allocated to the Allottee whether transmitted or not.

DURATION OF CONTRACT

(20) This contract shall remain in effect until the expiration of a period of fifty (50) years from the date at which energy is ready for delivery to the City, as announced by the Secretary. The holder of any contract for electrical

energy, including the Allottee, not in default thereunder, shall be entitled to a renewal thereof upon such terms and conditions as may be authorized or required under the then existing laws and regulations, unless the property of such holder dependent for its usefulness on a continuation of the contract be purchased or acquired and such contractor be compensated for damages to its property, used and useful in the transmission and distribution of such electrical energy and not taken, resulting from the termination of the supply.

DISPUTES AND DISAGREEMENTS

(21) (a) Disputes or disagreements arising under this contract between the Allottee and any lessee or other allottee shall be arbitrated by three arbitrators, except where otherwise provided in this contract. The Allottee shall name one arbitrator, and the other disputant shall name one. These two shall name the third. If either disputant has notified the other that arbitration is demanded and that it has named an arbitrator, and if thereafter the other disputant fails to name an arbitrator for fifteen days, the Secretary, if requested by either disputant, shall name such arbitrator, who shall proceed as though named by the disputant. The two arbitrators so named shall meet within five days after appointment of the second, and name the third. If they fail to do so, the Secretary will, on request by either disputant or arbitrator, name the third. A decision by any two of the three arbitrators shall be binding on the disputants and enforceable by court proceedings or by the Secretary in his discretion. Arbitration as herein provided, or the failure of the arbitrators to render a decision within six months of appointment of the third arbitrator, shall be a condition precedent to suit by either disputant against the other upon the matter in dispute.

(b) Disputes or disagreements between the United States and the Allottee as to the interpretation or performance of the provisions of this contract shall be determined either by arbitration or court proceedings, the Secretary of the Interior being authorized to act for the United States in such proceedings. Whenever a controversy arises out of this contract, and the disputants agree to submit the matter to arbitration, the Allottee shall name one arbitrator and the Secretary shall name one arbitrator, and the two arbitrators thus chosen shall elect three other arbitrators, but in the event of their failure to name all or any of the three arbitrators within five (5) days after their first meeting, such arbitrators, not so elected, shall be named by the Senior Judge of the United States Circuit Court of Appeals for the Ninth Circuit. The decision of any three of such arbitrators shall be a valid and binding award of the arbitrators.

USE OF PUBLIC AND RESERVED LANDS OF THE UNITED STATES

(22) The use is authorized of such public and reserved lands of the United States as may be necessary or convenient for the construction, operation and

maintenance of main transmission lines, to transmit electrical energy generated at Hoover Dam, together with the use of such public and reserved lands of the United States as may be designated by the Secretary, from time to time, for camp sites, residences for employees, warehouses and other uses incident to the operation and maintenance of the power plant and incidental works.

PRIORITY OF CLAIMS OF THE UNITED STATES

(23) Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured.

TRANSFER OF INTEREST IN CONTRACT

(24) No voluntary transfer of this contract, or of the rights hereunder, shall be made without the written approval of the Secretary; and any successor or assign of the rights of the Allottee, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the provisions of the Boulder Canyon Project Act and also subject to all the provisions and conditions of this contract to the same extent as though such successor or assign were the original contractor hereunder; provided that a mortgage or trust deed or judicial sales made thereunder shall not be deemed voluntary transfers within the meaning of this article.

RULES AND REGULATIONS

(25) This contract is subject to such rules and regulations conforming to the Boulder Canyon Project Act as the Secretary may from time to time promulgate; provided, however, that no right of the Allottee hereunder shall be impaired or obligation of the Allottee hereunder shall be extended thereby; and provided, further, that opportunity for hearing shall be afforded the Allottee by the Secretary prior to promulgation thereof.

AGREEMENT SUBJECT TO COLORADO RIVER COMPACT

(26) This contract is made upon the express condition and with the express understanding that all rights hereunder shall be subject to and controlled by the Colorado River Compact, being the compact or agreement signed at Santa Fe, New Mexico, November 24, 1922, pursuant to Act of Congress approved August 19, 1921, entitled "An Act to permit a compact or agreement between the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming, respecting the disposition and apportionment of the waters of the Colorado River, and for other purposes," which Compact was approved in Section 13 (a) of the Boulder Canyon Project Act.

CONTINGENT UPON APPROPRIATIONS

(27) This contract is subject to appropriations being made by Congress from year to year of moneys sufficient to do the work provided for herein, and to there being sufficient moneys available in the Colorado River Dam Fund to permit allotments to be made for the performance of such work. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient moneys not being so appropriated or on account of there not being sufficient moneys in the Colorado River Dam Fund to permit of said allotments. This agreement is also subject to the condition that if for any other reason construction of Hoover Dam is not prosecuted to completion with reasonable diligence, then and in such event either party hereto may terminate its obligations hereunder upon one (1) year's written notice to the other party hereto.

TITLE TO REMAIN IN UNITED STATES

(28) As provided by Section six (6) of the Boulder Canyon Project Act, the title to Hoover Dam, reservoir, plant and incidental works, shall forever remain in the United States.

REMEDIES UNDER CONTRACT NOT EXCLUSIVE

(29) Nothing contained in this contract shall be construed as in any manner abridging, limiting or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have.

MEMBER OF CONGRESS CLAUSE

(30) No Member of or Delegate to Congress or Resident Comissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom. Nothing, however, herein contained shall be construed to extend to this contract if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed in triplicate the day and year first above written.

THE UNITED STATES OF AMERICA,
By RAY LYMAN WILBUR,
Secretary of the Interior.

[SEAL]

Attest:
NORTHCUTT ELY.

LOS ANGELES GAS AND ELECTRIC CORPORATION,
By ADDISON B. DAY, *its President.*

Attest:
F. E. SEAVER, *Secretary.*

[SEAL]

Approved as to Form:
PAUL OVERTON, *Genl. Counsel.*

And Southern California Edison Company Ltd., as evidence of its approval of this contract, has caused its corporate name to be subscribed hereto by its officers thereunto duly authorized, as at the day and year first above written.

SOUTHERN CALIFORNIA EDISON
COMPANY LTD.,
By R. H. BALLARD, *President.*

[SEAL]

Attest:
CLIFTON PETERS, *Secretary.*

Approved as to form:
ROY V. REPPY, *General Counsel.*
By G. E. TROWBRIDGE, *Attorney.*
11-16-31

[ITEM 43]

BOULDER CANYON PROJECT

PERMIT AND LICENSE TO USE MACHINERY AND POWER PLANT FACILITIES

THE UNITED STATES

AND

THE CITY OF LOS ANGELES

OCTOBER 22, 1934

(11r–646)

(1) THIS PERMIT and LICENSE, made as of the 22nd day of October, nineteen hundred thirty-four pursuant to the Act of Congress approved June 17,

1902, (32 Stat., 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the reclamation law, and particularly pursuant to the Act of Congress approved December 21, 1928, (45 Stat., 1057), designated the Boulder Canyon Project Act, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by Harold L. Ickes, Secretary of the Interior, hereinafter styled the Secretary, and THE CITY OF LOS ANGELES, a municipal corporation, and its Department of Water and Power (said Department acting herein in the name of the City, but as principal in its own behalf as well as in behalf of the City, the term City as used in this permit and license being deemed to be both the City of Los Angeles and its Department of Water and Power):

WITNESSETH:

EXPLANATORY RECITALS

(2) WHEREAS, for the purpose of controlling the floods, improving navigation and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters for reclamation of public lands and other beneficial uses exclusively within the United States, and for the generation of electrical energy, the Secretary, subject to the terms of the Colorado River Compact, is authorized to construct, operate and maintain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon, adequate to create a storage reservoir of a capacity of not less than twenty million acre-feet of water; also to construct, equip, operate and maintain at or near said dam, or cause to be constructed, a complete plant and incidental structures suitable for the fullest economic development of electrical energy from the water discharged from said reservoir; and

(3) WHEREAS, after full consideration of the advantages of both the Black Canyon and Boulder Canyon dam sites, the Secretary has determined upon Black Canyon as the site of the aforesaid dam, hereinafter styled the Boulder Dam, and is now causing said dam to be constructed so as to create at the date of completion thereof a storage reservoir of a capacity of approximately thirty million five hundred thousand acre-feet of water, and is also causing to be constructed and equipped at or near said dam, a complete plant and incidental structures for the development of electrical energy from the water discharged from the aforementioned reservoir; and

(4) WHEREAS, the United States has entered into a several contract with The City of Los Angeles (and its Department of Water and Power) and Southern California Edison Company Ltd., of date April 26, 1930, for the lease, and for the operation and maintenance of the power plant to be constructed at Boulder Dam as aforesaid, together with the right to generate electrical energy as therein stated, which said contract was amended by supplemental contracts of dates May 28, 1930, and September 23, 1931; and

(5) WHEREAS, it appears that at least two of the generating units to be

leased to the City under the aforesaid contract of April 26, 1930, as amended, will be ready for operation, and that it is probable that water sufficient for the operation thereof will also be available, in advance of the time when, under conditions now existing and having regard to the extreme low flow of the Colorado River during the present year, the Secretary will be able to make the declaration contemplated by Article (11) (a) of said contract of April 26, 1930, as amended; and

(6) WHEREAS, it is to the interest of both parties hereto that if practicable such of said units as are ready for operation should be placed in operation as soon as water is available therefor and in advance of the time when under such present conditions such declaration can be made; and

(7) WHEREAS, to that end, it is the desire of the parties to arrange the terms and conditions upon which the City may, in advance of the time when said lease to it shall take effect according to its terms, operate such generating units and incidental works as may be ready for operation in advance of the time when under such existing conditions such declaration can be made;

(8) NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to wit:

INSTALLATION OF MACHINERY

(9) In connection with the construction of Boulder Dam, power plant and appurtenant structures, the United States will place in readiness for service, as soon as in the exclusive determination of the Secretary shall be proper, such units as practicable of the generating machinery and incidental works now being installed, or under contract for installation, in said power plant building, pursuant to said lease to the City, consisting of (a) four (4) vertical shaft 115,000 horsepower, 180 r.p.m. hydraulic turbines, complete with governors, pressure regulators and butterfly type shut-off valves, (b) four (4) 82,500 kv-a., 60 cycle generating units, and (c) power transformers and switching equipment together with necessary auxiliary equipment and necessary spare parts for all such equipment.

PERMIT AND LICENSE TO USE MACHINERY AND POWER PLANT FACILITIES

(10) The United States hereby permits and licenses the City to use appropriate plant facilities and such units of the machinery and equipment specified in Article nine (9) hereof as are ready for operation, at any time during the term of this permit and license for the period from the time when water for the generation of electrical energy is first available and the said machinery and equipment are installed, as conclusively determined by the Secretary, to the time when, as conclusively determined by the Secretary, electrical energy may be generated under conditions contemplated by the aforesaid contract of April 26,

1930, as amended, and particularly under the provisions of Article eleven (11) (a) thereof.

OPERATION AND MAINTENANCE OF POWER PLANT

(11) Upon written notification from the Secretary that generating equipment is ready for operation by it, under this permit and license, and that water is available for generating energy therefrom, the City shall assume operation and maintenance of that portion of the generating machinery and incidental works and structures which is ready for operation, and if from time to time, within the period of this permit and license, additional generating equipment shall be ready for operation, then upon written notification from the Secretary that such additional generating equipment is ready for operation by it under this permit and license, the City shall assume operation and maintenance of such additional generating equipment, and thereafter the City shall save the United States, its officers, agents and employees harmless as to injury and damage to persons and property which may in any manner arise out of the operation and maintenance of the portion of such generating machinery and incidental works and structures, the operation of which has been so assumed by the City. Machinery and equipment, the operation of which is assumed by the City hereunder, shall be maintained in first class operating condition at the sole cost and expense of the City, under the supervision of a Director appointed by the Secretary. The Director, among other powers, shall have authority to enforce rules and regulations promulgated by the Secretary in accordance with the Boulder Canyon Project Act, respecting operation and maintenance of the power plant and appurtenant works and structures, pursuant to Article twenty-four (24) hereof.

OPERATION AND MAINTENANCE OF DAM

(12) The United States will for the period of this permit and license operate and maintain the dam, reservoir, pressure tunnels, penstocks to but not inclusive of the shut-off valves at the inlets to the turbine casings, and outlet works, and shall have full control of all water passing the dam for any and all purposes. The City shall not during the period hereof have the right to demand the release of any quantities of water for the generation of electrical energy, or otherwise, but shall have the right to the use of waters released from the reservoir created by the construction of Boulder Dam for the generation of electrical energy only as, if and when, as conclusively determined by the Secretary, water is available for the use of the City for such purposes. It is also understood and agreed by the City that this permit and license shall be without prejudice to the right of the United States to make a contract with The Southern Sierras Power Company and The Nevada-California Power Company for the sale of electrical energy and the lease of power privileges during the period from the time water is first available for the generation of electrical energy at Boulder Dam to the

time when Southern California Edison Company, Ltd. is entitled or obligated to take electrical energy under the provisions of the aforesaid contract of April 26, 1930, as amended; provided, however, that any such contract shall provide that the Companies shall not have the right to demand the release of any quantities of water for the generation of electrical energy or otherwise, but shall have the right to the use of waters released from the Boulder Dam, only if, as and when, as conclusively determined by the Secretary, water is available for the use of the Companies for the generation of electrical energy over and above quantities of water required and used by the City (either before or after the date on which one billion two hundred fifty million (1,250,000,000) kw. h. of electrical energy per year is ready for delivery as declared by the Secretary pursuant to Article (11) of the aforesaid contract dated April 26, 1930, as amended) for the operation, at any capacity up to the maximum, of electrical generating equipment furnished and installed by the United States for the use and benefit of the City and others that have heretofore contracted with the United States for the purchase of electrical energy to be generated at Boulder Dam power plant and are entitled or obligated to take electrical energy prior to the time Southern California Edison Company, Ltd., is entitled or obligated to take electrical energy to be thus generated. It is also understood and agreed by the City that this permit and license shall be without prejudice to the right of the United States to make a contract, or contracts, with the State of Nevada and/or the State of Arizona for electrical energy for use within such states, respectively, during the period of this permit and license, in any amount not exceeding eighteen per centum (18%), to each of said states, of the electrical energy to be generated by the City under the terms of this permit and license. If any such contract, or contracts, shall be so made the City covenants to generate and furnish to the state, or states, so contracting, at transmission voltage, the electrical energy to which such state, or states, may be entitled under such contract, or contracts. Such contract, or contracts, and such generation and furnishing, shall be upon the same terms and conditions with respect to notice, payment and all other matters, as the terms and conditions relating to the generation for and delivery to the States of Nevada and Arizona, of firm energy, as set forth and contained in the aforesaid contract of April 26, 1930, as amended, excepting only that the basis of cost to said states, or either of them, for falling water, shall be the same as is applicable to the City under the terms of this permit and license. It is also understood by the City that the dam and reservoir will be operated and used: First, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of perfected rights in pursuance of Article VIII of the Colorado River Compact; and, third, for power, and this permit and license is given upon the express condition, and with the express covenant, that the rights of the City to waters of the Colorado River, or its tributaries, shall be subject to, and controlled by the Colorado River Compact.

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INTERRUPTIONS IN DELIVERY OF WATER

(13) In no event shall any liability accrue against the United States, its officers, agents or employees, for any damage, direct or indirect, arising on account of the failure to deliver water hereunder, whether such failure is due to temporary discontinuance or reduction for the purpose of maintenance, repairs, replacement or any other causes whatsoever.

COMPENSATION FOR USE OF FALLING WATER

(14) The City shall pay the United States, for the period of this permit and license, for the use of falling water for the generation of energy by the machinery and equipment covered by this permit and license, a charge of one-half mill ($0.0005) per kilowatt-hour (delivered at transmission voltage) for all energy which the City elects to and does generate. The United States will submit bills to the City by the fifth of each month immediately following the month during which the energy is generated, and payments shall be due on the first day of the month immediately succeeding. If such charges are not paid when due, a penalty of one per centum (1%) of the amount unpaid shall be added on the first day of each calendar month thereafter during such delinquency.

KEEPING PROPERTY IN REPAIR

(15) Except in case of emergency no substantial change in any property covered by this permit and license shall be made by the City without first having had and obtained the written consent of the Director or the Secretary, and the Secretary's opinion as to whether any change in any such property is or is not substantial shall be conclusive and binding upon the parties hereto. The City shall promptly make any and all repairs to and replacements of such property (except those occasioned by Act of God) in its control, which, in the opinion of the Secretary, are deemed necessary for the proper operation and maintenance of any such property. In case of neglect or failure of the City to make such repairs, the United States may, at its option, cause such repairs to be made and charge the actual cost thereof, plus fifteen per centum (15%) to cover overhead and general expense, to the City, together with interest at the rate of four per centum (4%) per annum from the date of the expenditure to the date of payment. The cost to the United States, with overhead and interest as stated above, of making any of the repairs contemplated by this permit and license, shall be repaid by the City on June first immediately succeeding the date of completion of such repairs.

MEASUREMENT OF ENERGY

(16) All energy shall be measured at generator voltage and suitable metering equipment shall be provided and installed by the United States for

this purpose. Suitable correction shall be made in the amounts of energy as measured at generator voltage to cover step-up transformer losses and energy required for operation of station auxiliaries, in determining the amounts of energy delivered at transmission voltage as provided in this permit and license. The said meter equipment shall be maintained by and at the expense of the City. Meters shall be tested at any reasonable time upon the request of either the United States or the City, and in any event they shall be tested at least once each year. If the test discloses that the error of any meter exceeds one per centum (1%), such meter shall be adjusted so that the error does not exceed one-half of one per centum (½%). Meter equipment shall be tested by means of suitable equipment which will be provided by the United States, and which shall be calibrated by the United States Bureau of Standards as often as requested by either party hereto. Meters shall be kept sealed, and the seals shall be broken only in the presence of representatives of both the United States and the City and likewise all test of meter equipment shall be conducted only when representatives of both the United States and the City are present.

RECORD OF ELECTRICAL ENERGY GENERATED

(17) The City shall make full and complete written monthly reports as directed by the Secretary, on forms to be supplied by the United States, of all electrical energy generated by it. Such reports shall be made and delivered to the Director on the third day of the month immediately succeeding the month in which the electrical energy is generated, and the records and data from which such reports are made shall be accessible to the United States on demand of the Secretary.

INSPECTION BY THE UNITED STATES

(18) The Secretary or his representatives, shall at all times have the right of ingress to and egress from all works of the City for the purpose of inspection, repairs and maintenance of works of the United States, and for all other proper purposes. The Secretary or his representatives shall also have free access at all reasonable times to the books and records of the City relating to the generation, transmission, and disposal of electrical energy hereunder with the right at any time during office hours to make copies of or from the same.

DISPUTES AND DISAGREEMENTS

(19) Disputes or disagreements between the United States and the City as to the interpretation or performance of the provisions of this permit and license shall be determined either by arbitration or court proceedings, the Secretary of the Interior being authorized to act for the United States in such

proceedings. Whenever a controversy arises out of this permit and license, and the disputants agree to submit the matter to arbitration, the City shall name one arbitrator and the Secretary shall name one arbitrator, and the two arbitrators thus chosen shall elect three other arbitrators, but in the event of their failure to name all or any of the three arbitrators within five (5) days after their first meeting, such arbitrators, not so elected, shall be named by the Senior Judge of the United States Circuit Court of Appeals for the Ninth Circuit. The decision of any three of such arbitrators shall be a valid and binding award of the arbitrators.

ELECTRICAL ENERGY RESERVED FOR UNITED STATES

(20) The City by means of machinery covered by this permit and license shall furnish to the United States such electrical energy as may be desired at a maximum demand not to exceed five thousand (5,000) kilowatts for construction and/or operation and maintenance purposes, and for diversion of water for irrigation and domestic uses, but not for resale to other than officers and employees and construction contractors of the United States, and to other persons in construction operating camps constructed and/or maintained by the United States. Such power shall be delivered to the United States at the power plant, and shall be measured at the point of delivery by meters furnished and installed by the United States. The United States will pay the City for such power, through credit on each monthly bill, at cost during such month.

USE OF PUBLIC AND RESERVED LANDS OF THE UNITED STATES

(21) The use is authorized of such public and reserved lands of the United States as may be necessary or convenient for the construction, operation and maintenance of main transmission lines, to transmit electrical energy generated at Boulder Dam, together with the use of such public and reserved lands of the United States as may be designated by the Secretary, from time to time, for camp sites, residences for employees, warehouses and other uses incident to the operation and maintenance of the power plant and incidental works.

PRIORITY OF CLAIMS OF THE UNITED STATES

(22) Claims of the United States arising out of this permit and license shall have priority over all others, secured or unsecured.

TRANSFER OF INTEREST IN PERMIT AND LICENSE

(23) No voluntary transfer of this permit and license, or of the rights hereunder, shall be made without the written approval of the Secretary; and

any successor or assign of the rights of the City, whether by voluntary transfer, or otherwise, shall be subject to all the provisions of the Boulder Canyon Project Act and also subject to all the provisions and conditions hereof to the same extent as though such successor or assign were the original permittee and licensee hereunder.

RULES AND REGULATIONS

(24) This permit and license is subject to such rules and regulations conforming to the Boulder Canyon Project Act as the Secretary may from time to time promulgate; provided, however, that no right of the City hereunder shall be impaired or obligation of the City hereunder shall be extened thereby; and provided further that opportunity for hearing shall be afforded the City by the Secretary prior to promulgation thereof.

PERMIT AND LICENSE SUBJECT TO COLORADO RIVER COMPACT

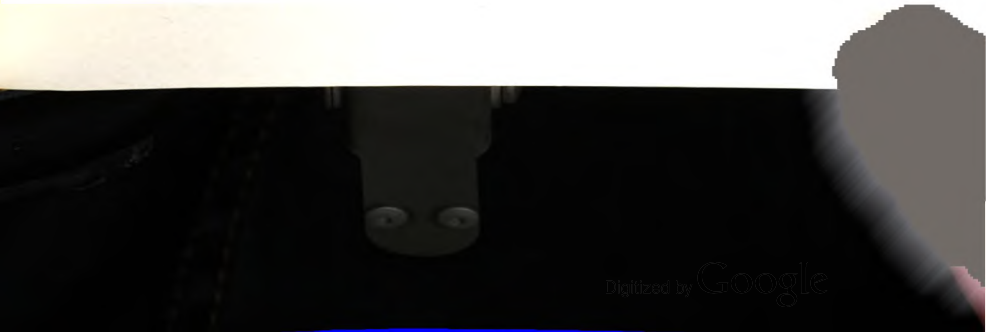
(25) This permit and license is given upon the express condition and with the express understanding that all rights hereunder shall be subject to and controlled by the Colorado River Compact, being the compact or agreement signed at Santa Fe, New Mexico, November 24, 1922, pursuant to Act of Congress approved August 19, 1921, entitled "An Act to permit a compact or agreement between the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming, respecting the disposition and apportionment of the waters of the Colorado River, and for other purposes," which Compact was approved in Section 13(a) of the Boulder Canyon Project Act.

CONTINGENT UPON APPROPRIATIONS

(26) This permit and license is subject to appropriations being made by Congress from year to year of moneys sufficient to do the work contemplated herein, and to there being sufficient moneys available in the Colorado River Dam fund to permit allotments to be made for the performance of such work. No liability shall accrue against the United States, its officers, agents, or employees, by reason of sufficient moneys not being so appropriated nor on account of there not being sufficient moneys in the Colorado River Dam fund to permit of said allotments.

TITLE TO REMAIN IN UNITED STATES

(27) As provided in Section six (6) of the Boulder Canyon Project Act, the title to Boulder Dam, reservoir, plant and incidental works, including machinery and equipment installed therein, shall forever remain in the United States.



REMEDIES UNDER PERMIT AND LICENSE NOT EXCLUSIVE

(28) Nothing contained in this permit and license shall be construed as in any manner abridging, limiting or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have.

LEASE NOT AFFECTED

(29) The provisions of this permit and license relate only to the period in advance of the taking effect of the aforesaid lease according to its terms, and the said lease shall not be in any manner affected or modified by the making hereof.

MEMBER OF CONGRESS CLAUSE

(30) No Member of or Delegate to Congress or Resident Commissioner, shall be admitted to any share or part of this permit and license, or to any benefit that may arise therefrom. Nothing, however, herein contained shall be construed to extend to this permit and license if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this permit and license to be executed as of the day and year first above written.

THE UNITED STATES OF AMERICA,
By HAROLD L. ICKES, *Secretary of the Interior.*

THE CITY OF LOS ANGELES, acting by and through its Board of Water and Power Commissioners,
By JOHN R. HAYNES, *President.*

[SEAL]

Attest:
JAS. P. VROMAN, *Secretary.*

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, by the Board of Water and Power Commissioners.
By JOHN R. HAYNES, *President.*

[SEAL]

Attest:
JAS. P. VROMAN, *Secretary.*

Approved at to form:
RAY L. CHESEBRO, *City Aatorney.*
By J. M. STEVENS, *Assistant.*

[ITEM 44]

BOULDER CANYON PROJECT

AGREEMENT ON PERIOD FOR ABSORPTION OF ELECTRICAL ENERGY CONTRACTED FOR BY MUNICIPALITIES

THE UNITED STATES

AND SEVERALLY

THE CITY OF LOS ANGELES

AND

DEPARTMENT OF WATER AND POWER

OCTOBER 22, 1934

(11r–646)

(1) This contract, made as of the 22nd day of October, nineteen hundred thirty-four, pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the reclamation law, and particularly pursuant to the act of Congress approved December 21, 1928 (45 Stat. 1057), designated the Boulder Canyon project act, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose

by Harold L. Ickes, Secretary of the Interior, hereinafter styled the Secretary, and severally, THE CITY OF LOS ANGELES, a municipal corporation, and its Department of Water and Power (said department acting herein in the name of the City, but as principal in its own behalf as well as in behalf of the City, the term City as used in this contract being deemed to be both The City of Los Angeles and its Department of Water and Power):

WITNESSETH THAT:

EXPLANATORY RECITALS

(2) WHEREAS, for the purpose of controlling the floods, improving navigation, and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters for reclamation of public lands and other beneficial uses exclusively within the United States, and for the generation of electrical energy, the Secretary, subject to the terms of the Colorado River compact, is authorized to construct, operate, and maintain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon, adequate to create a storage reservoir of a capacity of not less than twenty million acre-feet of water; also to construct, equip, operate, and maintain at or near said dam, or cause to be constructed, a complete plant and incidental structures suitable for the fullest economic development of electrical energy from the water discharged from said reservoir; and

(3) WHEREAS, the United States has entered into an agreement of date April 26, 1930, with the City and the Southern California Edison Co. Ltd., severally, for the lease and operation and maintenance of a government-built power plant to be constructed at Boulder Dam, together with the right to generate electrical energy, and certain supplements thereto, dated respectively, May 28, 1930, and September 23, 1931, hereinafter collectively referred to as the Lease of Power Privilege; and

(4) WHEREAS, the United States has entered into an agreement of date September 29, 1931, with the City of Pasadena, and an agreement of date November 12, 1931, with the City of Glendale, and an agreement of date November 10, 1931, with the City of Burbank, said three last mentioned cities being hereinafter collectively referred to as the Municipalities; and

(5) WHEREAS, the City, by said Lease of Power Privilege, and by contracts with the said Municipalities, has assumed certain obligations with reference to electric energy allocated to the Municipalities and not contracted for by them, or contracted for and not used by them, and it is therefore to the interest of said City that the said contracts between the United States and the Municipalities should be modified as hereinafter provided; and

(6) WHEREAS, before it was determined that the United States would construct the Boulder Dam, and at a time when it was contemplated that the City might construct the same for water and electric supply purposes, the City acquired

certain lands hereinafter particularly described, located within the Boulder Canyon Reservoir site, and it appears that by reason of the construction of said dam and the power plant and incidental works connected therewith, and the creation of said reservoir by the United States, and the making of certain contracts whereby, directly or indirectly, the City will receive both water and electricity from said reservoir, power plant and incidental works, such construction of said dam and creation of said reservoir will inure to the benefit of the City, and thereby the use of the said lands by the United States will be in furtherance of the purpose of their acquisition;

(7) NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to wit:

ABSORPTION PERIOD FOR MUNICIPALITIES

(8) The United States agrees that it will enter into several supplemental agreements with the Municipalities respectively, according to said Municipalities the same absorption privileges as by the said Lease of Power Privilege are accorded to the City, that is to say, each said supplemental agreement shall provide that in order to afford a reasonable time for the Municipalities respectively to absorb the energy contracted for, the minimum annual payments by them respectively for the first three (3) years after energy is ready for delivery to them respectively, as announced by the Secretary, as in said several agreements between the United States and the Municipalities dated respectively, September 29, 1931, November 12, 1931, and November 10, 1931, provided, shall be as follows, in percentages of the ultimate annual obligation to take and/or pay for firm energy:

1st year	55%
2nd year	70%
3rd year	85%
4th year and all subsequent years	100%

It is understood, however, that each of said supplemental agreements shall contain a provision that if the requirements of said Municipalities, respectively, shall be greater than the percentages so provided for, such Municipalities shall respectively take energy, under their said contracts with the United States, up to the full amount of their respective requirements, within their respective allocations, (excepting such electricity as may necessarily be generated at steam standby plants operated by or for the benefit of said Municipalities, respectively, in order to keep the same operating as standby); and that each of such supplemental agreements shall contain a further provision that any energy so taken in excess of such specified percentages during said first, second and third years shall be paid for by the Municipalities, respectively, at the rate specified in said Lease of Power Privilege for secondary energy, to wit, one-half mill ($0.0005) per kilowatt-hour; and that each of such supplemental agreements

shall contain the further provision that the making thereof is without prejudice to the right of the Municipalities respectively, to present to the Secretary of the Interior in the future applications for extension or modification of such absorption period provisions.

OBLIGATION OF THE CITY

(9) The provisions of Article (14), Subdivision F, Clause (ii) of said Lease of Power Privilege, shall not be construed to require the City, during the first three years, to take or pay for, in any event, any portion of the respective allocations to the said Municipalities other than the amounts by which their respective requirements may be less than fifty-five per centum (55%) of their respective ultimate annual obligations for the first year, or less than seventy per centum (70%) of their respective ultimate annual obligations for the second year, or less than eighty-five per centum (85%) of their respective ultimate annual obligations for the third year.

CITY LANDS IN RESERVOIR SITE

(10) The City agrees that it will convey to the United States, but without warranty, all the right, title and interest which it now has in or to those certain lands within the site of the Boulder Canyon Reservoir, in Clark County, Nevada, aggregating approximately 640 acres, and particularly described as follows, to wit:

The northeast quarter (NE¼) of the southwest quarter (SW¼), and the southeast quarter (SE¼) of the southeast quarter (SE¼) of Section thirty-three (33), Township sixteen (16) South, Range sixty-eight (68) East, M.D.M.; the north half (N½) of the northwest quarter (NW¼), the southwest quarter (SW¼) of the northeast quarter (NE¼), and the southeast quarter (SE¼) of the northwest quarter (NW¼) of Section thirty-five (35), Township seventeen (17) South, Range sixty-eight (68) East, M.D.M.; the east half (E½) of the southeast quarter (SE¼) of Section twenty-one (21), the west half (W½) of the southwest quarter (SW¼), and the southwest quarter (SW¼) of the northwest quarter (NW¼) of Section twenty-two (22); the south half (S½) of the northeast quarter (NE¼), and the northwest quarter (NW¼) of the northeast quarter (NE¼) of Section twenty-eight (28), Township eighteen (18) South, Range sixty-eight (68) East, M.D.M.; the southeast quarter (SE¼) of the southeast quarter (SE¼) of Section twenty (20), and the northwest quarter (NW¼) of the northeast quarter (NE¼) of Section twenty-nine (29), Township twenty (20) South, Range sixty-eight (68) East, M.D.M., excepting and reserving therefrom all water and water rights appurtenant or incident to said lands, or any part thereof.

The agreement in this Section 10 contained is contingent upon the approval of such transfer by Ordinance of the City Council of The City of Los Angeles, as required by the Charter of said City, but if such approval shall not be given by Ordinance effective within one hundred twenty (120) days from the date hereof, this contract in its entirety, shall be of no effect.

MEMBER OF CONGRESS CLAUSE

(11) No Member of or Delegate to Congress or Resident Commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom. Nothing, however, herein contained shall be construed to extend to this contract if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed as of the day and year first above written.

THE UNITED STATES OF AMERICA,
By HAROLD L. ICKES, *Secretary of the Interior.*

THE CITY OF LOS ANGELES, acting by and through its Board of Water and Power Commissioners,
By JOHN R. HAYNES, *President.*

Attest:
JAS. P. VROMAN, *Secretary.*

[SEAL]

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, by the Board of Water and Power Commissioners,
By JOHN R. HAYNES, *President.*

Attest:
JAS. P. VROMAN, *Secretary.*

[SEAL]

Approved as to form:
RAY L. CHESEBRO, *City Attorney.*
By F. M. BOTTORFF, *Deputy.*

[ITEM 45]

BOULDER CANYON PROJECT

SUPPLEMENTAL CONTRACT FOR ELECTRICAL ENERGY

UNITED STATES

AND

THE CITY OF PASADENA

OCTOBER 30, 1934

(11r–672)

(1) THIS SUPPLEMENTAL CONTRACT, made this 30th day of October, nineteen hundred thirty-four, pursuant to the Act of Congress approved June 17, 1902 (32 Stat., 388), and acts amendatory thereof or suplementary thereto, all of which acts are commonly known and referred to as the reclamation law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat., 1057), designated the Boulder Canyon project act, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by Harold L. Ickes, Secretary of the Interior, hereinafter styled the Secretary, and THE CITY OF PASADENA, a municipal corporation organized and existing under and by virtue of the laws of the State of California, hereinafter styled the Municipality:

WITNESSETH:

EXPLANATORY RECITALS

(2) WHEREAS, under date of September 29, 1931, the parties hereto entered into a contract whereby, among other things, the United States agreed to cause electric energy to be delivered to the Municipality at Boulder Dam, under and in pursuance of and subject to the provisions of a certain lease therein referred to, for the period therein specified, in accordance with an allocation therein set forth; and

(3) WHEREAS, in said contract dated September 29, 1931, no provision was made for an absorption period for the Municipality similar to that provided for the lessees in the aforesaid lease, and it appears just and equitable that provision for such absorption period should be made; and

(4) WHEREAS, The City of Los Angeles by the said lease and by contracts with the Municipality, and with other municipalities, has assumed certain obligations with reference to electric energy allocated to the Municipality, and other municipalities, and not contracted for by them, or contracted for and not used by them, and it is therefore to the interest of said City that the said contract between the United States and the Municipality, and similar contracts between the United States and other municipalities, should be modified as hereinafter provided, and the United States and said City of Los Angeles have entered into a certain contract dated October 22, 1934, by the terms of which the United States, upon considerations therein expressed, has agreed to modify its said contract with the Municipality dated September 29, 1931, and similar contracts between the United States and other municipalities, in the manner hereinafter provided, a copy of which said contract between the United States and said City of Los Angeles, dated October 22, 1934, is hereto attached and made a part hereof; and marked "Exhibit No. 1"; and

(5) WHEREAS, The City of Los Angeles has performed the agreements on its part to be performed as set forth in said contract dated October 22, 1934, by conveying to the United States in accordance with the terms of said agreement all its right, title and interest in and to the lands therein described;

(6) NOW, THEREFORE, in consideration of the mutual covenants contained herein, and in said contract between the United States and The City of Los Angeles dated October 22, 1934, the parties hereto mutually covenant and agree as follows, to wit:

(7) Article twelve (12) of the aforesaid contract of September 29, 1931, is hereby amended so as to read as follows, to wit:

CHARGES TO BE PAID THE UNITED STATES

(12) In consideration of this contract, the Municipality agrees:

(1) To pay the United States for the use of falling water for generation of energy for the Municipality as follows:

(a) One and sixty-three hundredths mills ($0.00163) per kilowatt-hour (delivered at transmission voltage) for all firm energy contracted for by it;

(b) One-half mill ($0.0005) per kilowatt-hour (delivered at transmission voltage) for energy which under the terms hereof is to be paid for at the rate for secondary energy;

(2) To pay the United States, for credit to the City, on account of use of the leased equipment as herein elsewhere provided; and

(3) To pay the United States, for credit to the City, on account of maintenance of said equipment in first class operating condition, including repairs to and replacements of machinery; provided, however, that, if the expenditures for replacements shall exceed at any time the sum accumulated by the City as a depreciation reserve in accordance with rules and regulations prescribed by the Secretary, pursuant to the Boulder Canyon project act, less all amounts previously withdrawn for replacements, then the rates aforesaid shall be readjusted as hereinafter provided so as to reimburse the City for such excess expenditures within the term of this contract.

At the end of fifteen (15) years from the date of execution of said Exhibit "A" (April 26, 1930), and every ten (10) years thereafter, the above rates of payment for energy shall be readjusted upon demand of either party hereto, either upward or downward as to price, as the Secretary may find to be justified by competitive conditions at distributing points or competitive centers.

The rate for falling water for generation of firm energy, which shall be uniform for both lessees and the Municipality, provided for by any such readjustment shall be arrived at by deducting from the price of electrical energy justified by competitive conditions at distributing points or competitive centers—(1) all fixed and operating costs of transmission to such points—(2) all fixed and operating costs of such portion of the power plant machinery as is to be operated and maintained by the several lessees, including the cost of repairs and replacements, together with such readjustment as to replacements as is provided for in paragraph 3 in this Article; it being understood that such readjusted rates shall under no circumstances exceed the value of said energy, based upon competitive conditions at distributing points or competitive centers.

The charges agreed to be paid by the Municipality to the United States, for credit to the City as generating agency, in this Article, shall be such proportion of the cost incurred by such generating agency as the Municipality and the City may agree, or failing such agreement, as the Secretary may determine.

The term "cost", as used with reference to generating energy, shall include a proper proportionate allowance for amortization of the cost of machinery and equipment as provided in Paragraph a of Article 9 of Exhibit A hereof, and interest on the prepayments thereof made by the City, a proper proportionate part of any annuity set-up in accordance with regulations of the Secretary provided for in Subdivision 3 of Article Sixteen (16) of Exhibit A hereof, and any additional expenditures made by the City with the approval of the Secretary, for the purpose of meeting the obligations of the City to make replacements; and a proper proportionate part of the actual outlay of the City for operating such machinery and equipment and keeping the same in repair, including reasonable overhead charges. The extent of the allowance for the several items in the event of disagreement between the City and Municipality, and the system of accounting therefor, shall be prescribed by the Secretary under uniform regulations as required by Section 6 of the Boulder Canyon project act."

(8) Article thirteen (13) of the aforesaid contract of September 29, 1931, is hereby amended so as to read as follows, to wit:

MONTHLY PAYMENTS AND PENALTIES

(13) The Municipality shall pay monthly for energy in accordance with the rates established or provided for herein, and for the generation thereof as provided in Article twelve (12).

When energy taken in any month is not in excess of one-twelfth (1/12) of the minimum annual obligation, bill for such month shall be computed at the rate for firm energy in effect when such energy was taken on the basis of the actual amount of energy used during such month. All energy used during any month in excess of one-twelfth (1/12) of the minimum annual obligation shall be paid for at the rate for secondary energy in effect when such energy was taken; provided, however, that the secondary rate shall not apply to any energy taken during any month unless and until an amount of energy equivalent to one-twelfth (1/12) of the minimum annual obligation has been taken for all months beginning with the month of June immediately preceding; provided, however, that the bill for the month of May shall not be less than the difference between the minimum annual payment, as provided in Article fourteen (14) hereof, and the sum of the amounts charged for firm energy during the preceding eleven months. The United States will submit bills to the Municipality by the fifth of each month immediately following the month during which the energy is generated, and payments shall be due on the first day of the month immediately succeeding. If such charges are not paid when due, a penalty of one per centum (1%) of the amount paid shall be added thereto, and thereafter an additional penalty of one per centum (1%) of the amount unpaid shall be added on the first day of each calendar month thereafter during such delinquency.

The monthly charge for generation of such energy to be credited to the generating agency shall be in such amount as may be determined in accordance with Article twelve (12) hereof.

(9) Article fourteen (14) of the aforesaid contract of September 29, 1931, is hereby amended so as to read as follows, to wit:

MINIMUM ANNUAL PAYMENT

(14) The minimum quantity of firm energy which the Municipality shall take and/or pay for each year (June 1st to May 31st, inclusive), under the terms of this contract, and after the same is ready for delivery to the Municipality, as provided in subdivision (a) of Article eleven (11) hereof, shall be 1.6183 per centum of all firm energy as defined in Article nine (9) hereof, available in said year. The total payments made by the Municipality for firm energy available in any year (June 1st to May 31st, inclusive), whether any energy is taken by it, or not, exclusive of its payments for credit to the generating agency, shall be not less than the number of kilowatt-hours for firm energy which the Municipality is obligated to take and/or pay for during said year, multiplied by one and sixty-three hundredths mills ($0.00163), or multiplied by the adjusted rate of payment for firm energy in case the said rate is adjusted as provided in Article twelve (12) hereof. For a fractional year at the beginning or end of the contract period, the minimum annual payment for firm energy shall be proportionately adjusted in the ratio that the number of days water is available for generation of energy in such fractional year bears to three hundred sixty-five (365). Provided, however, that in order to afford a reasonable time for the Municipality to absorb the energy contracted for, the minimum annual payments by it for the first three (3) years after energy is ready for delivery to it, as announced by the Secretary, as herein elsewhere

provided, shall be as follows, in percentages of the ultimate annual obligation, to take and/or pay for firm energy:

1st year 55%
2nd year 70%
3rd year 85%
4th year and all subsequent years 100%

Provided, further, that the minimum annual payment shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article seventeen (17) hereof.

It is understood, however, that if the requirements of the Municipality shall be greater than the percentages so provided for, the Municipality shall take energy under this contract up to the full amount of its requirements within its allocation (excepting such electricity as may necessarily be generated at steam standby plants in order to keep the same operating as standby plants).

During said absorption period, if the quantity of energy taken in any one year (June 1st to May 31st, inclusive), is in excess of the above percentages of the ultimate obligation during such year to take and/or pay for firm energy, such excess shall be paid for at the rate for secondary energy.

The total payments made by the Municipality for generation of such energy, to be credited to the generating agency, shall be determined in accordance with Article twelve (12) hereof."

FORMER CONTRACT MODIFIED ONLY AS EXPRESSLY AMENDED HEREIN

(10) Except as expressly amended hereby the aforesaid contract between The United States of America and The City of Pasadena, of date September 29, 1931, shall be and remain in full force and effect, but the execution hereof is without prejudice to the right of the Municipality to present to the Secretary of the Interior in the future application for the extension or modification of the absorption period provided hereby.

MEMBER OF CONGRESS CLAUSE

(11) No Member of or Delegate to Congress or Resident Commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom. Nothing, however, herein contained shall be construed to extend to this contract if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By HAROLD L. ICKES, *Secretary of the Interior.*

THE CITY OF PASADENA,
By EDWARD O. NAY,
Chairman of the Board of Directors of the City of Pasadena.

[SEAL]

833942—50—34

Approved:
B. F. DELANTY,
General Manager, Mun. Light & Power Dept.
10–30–34

Attest:
BESSIE CHAMBERLAIN,
City Clerk of the City of Pasadena.

Approved as to form:
HAROLD P. HULS, *City Attorney.*

Approved:
W. C. KOINER, *City Manager.*

EXHIBIT NO. 1

(1) This contract, made as of the 22nd day of October, nineteen hundred thirty-four, pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), and acts amendatory thereof or suplementary thereto, all of which acts are commonly known and referred to as the reclamation law, and particularly pursuant to the act of Congress approved December 21, 1928 (45 Stat. 1057), designated the Boulder Canyon project act, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by Harold L. Ickes, Secretary of the Interior, hereinafter styled the Secretary, and severally, THE CITY OF LOS ANGELES, a municipal corporation, and its Department of Water and Power (said department acting herein in the name of the City, but as principal in its own behalf as well as in behalf of the City, the term City as used in this contract being deemed to be both The City of Los Angeles and its Department of Water and Power):

WITNESSETH THAT:

EXPLANATORY RECITALS

(2) WHEREAS, for the purpose of controlling the floods, improving navigation, and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters for reclamation of public lands and other beneficial uses exclusively within the United States, and for the generation of electrical energy, the Secretary, subject to the terms of the Colorado River compact, is authorized to construct, operate, and maintain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon, adequate to create a storage reservoir of a capacity of not less than twenty-million acre-feet of water; also to construct, equip, operate, and main tain at or near said dam, or cause to be constructed, a complete plant and incidental structures suitable for the fullest economic development of electrical energy from the water discharged from said reservoir; and

(3) WHEREAS, the United States has entered into an agreement of date April 26, 1930, with the City and the Southern California Edison Co. Ltd.,

severally, for the lease and operation and maintenance of a government-built power plant to be constructed at Boulder Dam, together with the right to generate electrical energy, and certain supplements thereto, dated respectively, May 28, 1930, and September 23, 1931, hereinafter collectively referred to as the Lease of Power Privilege; and

(4) WHEREAS, the United States has entered into an agreement of date September 29, 1931, with the City of Pasadena, and an agreement of date November 12, 1931, with the City of Glendale, and an agreement of date November 10, 1931, with the City of Burbank; said three last mentioned cities being hereinafter collectively referred to as the Municipalities; and

(5) WHEREAS, the City, by said Lease of Power Privilege, and by contracts with the said Municipalities, has assumed certain obligations with reference to electric energy allocated to the Municipalities and not contracted for by them, or contracted for and not used by them, and it is therefore to the interest of said City that the said contracts between the United States and the Municipalities should be modified as hereinafter provided; and

(6) WHEREAS, before it was determined that the United States would construct the Boulder Dam, and at a time when it was contemplated that the City might construct the same for water and electric supply purposes, the City acquired certain lands hereinafter particularly described, located within the Boulder Canyon Reservoir site, and it appears that by reason of the construction of said dam and the power plant and incidental works connected therewith, and the creation of said reservoir by the United States, and the making of certain contracts whereby, directly or indirectly, the City will receive both water and electricity from said reservoir, power plant and incidental works, such construction of said dam and creation of said reservoir will inure to the benefit of the City, and thereby the use of the said lands by the United States will be in furtherance of the purpose of their acquisition;

(7) NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to wit:

ABSORPTION PERIOD FOR MUNICIPALITIES

(8) The United States agrees that it will enter into several supplemental agreements with the Municipalities respectively, according to said Municipalities the same absorption privileges as by the said Lease of Power Privilege are accorded to the City, that is to say, each said supplemental agreement shall provide that in order to afford a reasonable time for the Municipalities respectively to absorb the energy contracted for, the minimum annual payments by them respectively for the first three (3) years after energy is ready for delivery to them respectively, as announced by the Secretary, as in said several agreements between the United States and the Municipalities dated respectively, September 29, 1931, November 12, 1931, and November 10, 1931, provided,

shall be as follows, in percentages of the ultimate annual obligation to take and/or pay for firm energy:

	Percent
First year	55
Second year	70
Third year	85
Fourth year and all subsequent years	100

It is understood, however, that each of said supplemental agreements shall contain a provision that if the requirements of said Municipalities, respectively, shall be greater than the percentages so provided for, such Municipalities shall respectively take energy, under their said contracts with the United States, up to the full amount of their respective requirements, within their respective allocations, (excepting such electricity as may necessarily be generated at steam standby plants operated by or for the benefit of said Municipalities, respectively, in order to keep the same operating as standby); and that each of such supplemental agreements shall contain a further provision that any energy so taken in excess of such specified percentages during said first, second and third years shall be paid for by the Municipalities, respectively, at the rate specified in said Lease of Power Privilege for secondary energy, to wit, one-half mill ($0.0005) per kilowatt-hour; and that each of such supplemental agreements shall contain the further provision that the making thereof is without prejudice to the right of the Municipalities respectively, to present to the Secreary of the Interior in the future applications for extension or modification of such absorption period provisions.

OBLIGATION OF THE CITY

(9) The provisions of Article (14), Subdivision F, Clause (ii) of said Lease of Power Privilege, shall not be construed to require the City, during the first three years, to take or pay for, in any event, any portion of the respective allocations to the said Municipalities other than the amounts by which their respective requirements may be less than fifty-five per centum (55%) of their respective ultimate annual obligations for the first year, or less than seventy per centum (70%) of their respective ultimate annual obligations for the second year, or less than eighty-five per centum (85%) of their respective ultimate annual obligations for the third year.

CITY LANDS IN RESERVOIR SITE

(10) The City agrees that it will convey to the United States, but without warranty, all the right, title and interest which it now has in or to those certain lands within the site of the Boulder Canyon Reservoir, in Clark County, Nevada, aggregating approximately 640 acres, and particularly described as follows, to wit:

The northeast quarter (NE¼) of the southwest quarter (SW¼), and the southeast quarter (SE¼) of the southeast quarter (SE¼) of Section thirty-three (33), Township sixteen (16) South, Range sixty-eight (68) East, M.D.M.; the north half (N½) of the nothwest quarter (NW¼), the southwest quarter (SW¼) of the northeast quarter (NE¼), and the southeast quarter (SE¼) of the northwest quarter (NW¼) of Section thirty-five (35), Township seventeen (17) South, Range sixty-eight (68) East, M.D.M.; the east half (E½) of the southeast quarter, (SE¼) of Section twenty-one (21), the west half (W½) of the southwest quarter (SW¼), and the southwest quarter (SW¼) of the northwest quarter (NW¼) of Section twenty-two (22); the south half (S½) of the northeast quarter (NE¼), and the northwest quarter (NW¼) of the northeast quarter (NE¼) of Section twenty-eight (28), Township eighteen (18) South, Range sixty-eight (68) East, M.D.M.; the southeast quarter (SE¼) of the southeast quarter (SE¼) of Section twenty (20), and the northwest quarter (NW¼) of the northeast quarter (NE¼) of Section twenty-nine (29), Township twenty (20) South, Range sixty-eight (68) East, M.D.M., excepting and reserving therefrom all water and water rights appurtenant or incident to said lands, or any part thereof.

The agreement in this Section 10 contained is contingent upon the approval of such transfer by Ordinance of the City Council of The City of Los Angeles, as required by the Charter of said City, but if such approval shall not be given by Ordinance effective within one hundred twenty (120) days from the date hereof, this contract in its entirety, shall be of no effect.

MEMBER OF CONGRESS CLAUSE

(11) No Member of or Delegate to Congress or Resident Commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom. Nothing, however, herein contained shall be construed to extend to this contract if made with a corporation for its general benefit.

In witness whereof, the parties hereto have caused this contract to be executed as of the day and year first above written.

THE UNITED STATES OF AMERICA,
By HAROLD L. ICKES, *Secretary of the Interior.*

THE CITY OF LOS ANGELES, acting by and through its Board of Water and Power Commissioners,
By JOHN R. HAYNES, *President.*

Attest:
JAS. P. VROMAN, *Secretary.*

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, by the Board of Water and Power Commissioners,
By JOHN R. HAYNES, *President.*

Attest:
JAS. P. VROMAN, *Secretary.*

MOTION NO. 9010

Moved by Director A. I. Stewart: Oct. 30, 1934.

That the contract, a copy of which is attached hereto and made a part hereof, between the United States of America and the City of Pasadena, being supplemental to contract between the United States of America and the City of Pasadena Dated September 29, 1931, and designated as Contract No. 1596 on file in the office of the City Clerk, whereby the City agreed to purchase a certain amount of electrical energy generated at Boulder Dam, is hereby approved, and the Chairman of the Board of Directors is hereby authorized to execute said contract in duplicate for and on behalf of the City of Pasadena and the City Clerk is hereby authorized and directed to attest his signature and attach thereto the corporate seal of the City and to attach the contract hereby approved to Contract No. 1596.

Motion duly seconded and carried by the following vote:

Ayes: Directors Brenner, Dawson, Munson, Nay, Riccardi, Stewart, Wopschall

Noes: None

I hereby certify that the attached document is a full, true and correct copy of Motion No. 9010 on file in the office of the City Clerk of the City of Pasadena.

BESSIE CHAMBERLAIN, *City Clerk.*

By BETTY PURCEL, *Deputy.*

[SEAL]

[ITEM 46]

BOULDER CANYON PROJECT

SUPPLEMENTAL CONTRACT FOR ELECTRICAL ENERGY

THE UNITED STATES

AND

THE CITY OF BURBANK

OCTOBER 30, 1934

(11r–670)

(1) THIS SUPPLEMENTAL CONTRACT, made this 30th day of October nineteen hundred thirty-four, pursuant to the Act of Congress approved June 17, 1902 (32 Stat., 388), and acts amendatory thereof or supplementary thereto, all of which acts are comomnly known and referred to as the reclamation law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat., 1057), designated the Boulder Canyon project act, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by Harold L. Ickes, Secretary of the Interior, hereinafter styled the Secretary, and THE CITY OF BURBANK, a municipal corporation organized and existing under and by virtue of the laws of the State of California, hereinafter styled the Municipality:

WITNESSETH:

EXPLANATORY RECITALS

(2) WHEREAS, under date of November 10, 1931, the parties hereto entered into a contract whereby, among other things, the United States agreed to cause electric energy to be delivered to the Municipality at Boulder Dam, under and in pursuance of and subject to the provisions of a certain lease therein referred to, for the period therein specified, in accordance with an allocation therein set forth; and

(3) WHEREAS, in said contract dated November 10, 1931, no provision was made for an absorption period for the Municipality similar to that provided for the lessees in the aforesaid lease, and it appears just and equitable that provision for such absorption period should be made; and

(4) WHEREAS, The City of Los Angeles by the said lease and by contracts with the Municipality, and with other municipalities, has assumed certain obligations with reference to electric energy allocated to the Municipality, and other municipalities, and not contracted for by them, or contracted for and not used by them, and it is therefore to the interest of said City that the said contract between the United States and the Municipality, and similar contracts between the United States and other municipalities, should be modified as hereinafter provided, and the United States and said City of Los Angeles have entered into a certain contract dated October 22, 1934, by the terms of which the United States, upon considerations therein expressed, has agreed to modify its said contract with the Municipality dated November 10, 1931, and similar contracts between the United States and other municipalities, in the manner hereinafter provided, a copy of which said contract between the United States and said City of Los Angeles, dated October 22, 1934, is hereto attached and made a part hereof; and marked "Exhibit No. 1"; and

(5) WHEREAS, The City of Los Angeles has performed the agreements on its part to be performed as set forth in aid contract dated October 22, 1934, by conveying to the United States in accordance with the terms of said agreement all its right, title and interest in and to the lands therein described;

(6) NOW, THEREFORE, in consideration of the mutual covenants contained herein, and in said contract between the United States and The City of Los Angeles dated October 22, 1934, the parties hereto mutually covenant and agree as follows, to wit:

(7) Article twelve (12) of the aforesaid contract of November 10, 1931, is hereby amended so as to read as follows, to wit:

CHARGES TO BE PAID THE UNITED STATES

(12) In consideration of this contract, the Municipality agrees:

(1) To pay the United States for the use of falling water for generation of energy for the Municipality as follows:

(a) One and sixty-three hundredths mills ($0.00163) per kilowatt-hour (delivered at transmission voltage) for all firm energy contracted for by it;

(b) One-half mill (0.0005) per kilowatt-hour (delivered at transmission voltage) for energy which under the terms hereof is to be paid for at the rate for secondary energy;

(2) To pay the United States, for credit to the City, on account of use of the leased equipment as herein elsewhere provided; and

(3) To pay the United States, for credit to the City, on account of maintenance of said equipment in first class operating condition, including repairs to and replacements of machinery; provided, however, that, if the expenditures for replacements shall exceed at any time the sum accumulated by the City as a depreciation reserve in accordance with rules and regulations prescribed by the Secretary, pursuant to the Boulder Canyon project act, less all amounts previously withdrawn for replacements, then the rates aforesaid shall be readjusted as hereinafter provided so as to reimburse the City for such excess expenditures within the term of this contract.

At the end of fifteen (15) years from the date of execution of said Exhibit "A" (April 26, 1930), and every ten (10) years thereafter, the above rates of payment for energy shall be readjusted upon demand of either party hereto, either upward or downward as to price, as the Secretary may find to be justified by competitive conditions at distributing points or competitive centers.

The rate for falling water for generation of firm energy, which shall be uniform for both lessees and the Municipality, provided for by any such readjustment shall be arrived at by deducting from the price of electrical energy justified by competitive conditions at distributing points or competitive centers:

(1) All fixed and operating costs of transmission to such points;

(2) all fixed and operating costs of such portion of the power plant machinery as is to be operated and maintained by the several lessees, including the cost of repairs and replacements, together with such readjustment as to replacements as is provided for in paragraph 3 in this Article; it being understood that such readjusted rates shall under no circumstances exceed the value of said energy, based upon competitive conditions at distributing points or competitive centers.

The charges agreed to be paid by the Municipality to the United States, for credit to the City as generating agency, in this Article, shall be such proportion of the cost incurred by such generating agency as the Municipality and the City may agree, or failing such agreement, as the Secretary may determine.

The term "cost," as used with reference to generating energy, shall include a proper proportionate allowance for amortization of the cost of machinery and equipment as provided in Paragraph a of Article 9 of Exhibit A hereof, and interest on the prepayments thereof made by the City, a proper proportionate part of any annuity set-up in accordance with regulations of the Secretary provided for in Subdivision 3 of Article Sixteen (16) of Exhibit A hereof, and any additional expenditures made by the City with the approval of the Secretary, for the purpose of meeting the obligation of the City to make replacements; and a proper proportionate part of the actual outlay of the City for operating such machinery and equipment and keeping the same in repair, including reasonable overhead charges. The extent of the allowance for the several items in the event of disagreement between the City and Municipality, and the system of accounting therefor, shall be prescribed by the Secretary under uniform regulations as required by Section 6 of the Boulder Canyon project act.

(8) Article thirteen (13) of the aforesaid contract of November 10, 1931, is hereby amended so as to read as follows, to wit:

MONTHLY PAYMENTS AND PENALTIES

(13) The Municipality shall pay monthly for energy in accordance with the rates established or provided for herein, and for the generation thereof as provided in Article twelve (12).

When energy taken in any month is not in excess of one-twelfth (1/12) of the minimum annual obligation, bill for such month shall be computed at the rate for firm energy in effect when such energy was taken on the basis of the actual amount of energy used during such month. All energy used during any month in excess of one-twelfth (1/12) of the minimum annual obligation shall be paid for at the rate for secondary energy in effect when such energy was taken; provided, however, that the secondary rate shall not apply to any energy taken during any month unless and until an amount of energy equivalent to one-twelfth (1/12) of the minimum annual obligation has been taken for all months beginning with the month of June immediately preceding; provided, however, that the bill for the month of May shall not be less than the difference between the minimum annual payment, as provided in Article fourteen (14) hereof, and the sum of the amounts charged for firm energy during the preceding eleven months. The United States will submit bills to the Municipality by the fifth of each month immediately following the month during which the energy is generated and payments shall be due on the first day of the month immediately succeeding. If such charges are not paid when due, a penalty of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional penalty of one per centum (1%) of the amount unpaid shall be added on the first day of each calendar month thereafter during such delinquency.

The monthly charge for generation of such energy to be credited to the generating agency shall be in such amount as may be determined in accordance with Article twelve (12) hereof.

(9) Article fourteen (14) of the aforesaid contract of November 10, 1931, is hereby amended so as to read as follows, to wit:

MINIMUM ANNUAL PAYMENT

(14) The minimum quantity of firm energy which the Municipality shall take and/or pay for each year (June 1st to May 31st, inclusive), under the terms of this contract, and after the same is ready for delivery to the Municipality, as provided in subdivision (a) of Article eleven (11) hereof, shall be 0.5896 per centum of all firm energy as defined in Article nine (9) hereof, available in said year. The total payments made by the Municipality for firm energy available in any year (June 1st to May 31st, inclusive), whether any energy is taken by it, or not, exclusive of its payments for credit to the generating agency, shall be not less than the number of kilowatt-hours of firm energy which the Municipality is obligated to take and/or pay for during said year, multiplied by one and sixty-three hundredths mills ($0.00163), or multiplied by the adjusted rate of payment for firm energy in case the said rate is adjusted as provided in Article twelve (12) hereof. For a fractional year at the beginning or end of the contract period, the minimum annual payment for firm energy shall be proportionately adjusted in the ratio that the number of days water is available for generation of energy in such fractional year bears to three hundred sixty-five (365). Provided, however, that in order to afford a reasonable time for the Municipality to absorb the energy contracted for, the minimum annual payments by it for the first three (3) years after energy is ready for delivery to it, as announced by the Secretary, as herein elsewhere provided, shall be as follows, in percentages of the ultimate annual obligation, to take and/or pay for firm energy:

	Percent
First year	55
Second year	70
Third year	85
Fourth year and all subsequent years	100

PROVIDED, FURTHER, That the minimum annual payment shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article seventeen (17) hereof.

It is understood, however, that if the requirements of the Municipality shall be greater than the percentages so provided for, the Municipality shall take energy under this contract up to the full amount of its requirements within its allocation (excepting such electricity as may necessarily be generated at steam standby plants in order to keep the same operating as standby plants).

During said absorption period, if the quantity of energy taken in any one year (June 1st to May 31st, inclusive), is in excess of the above percentages of the ultimate obligation during such year to take and/or pay for firm energy, such excess shall be paid for at the rate for secondary energy.

The total payments made by the Municipality for generation of such energy, to be credited to the generating agency, shall be determined in accordance with Article twelve (12) hereof."

FORMER CONTRACT MODIFIED ONLY AS EXPRESSLY AMENDED HEREIN

(10) Except as expressly amended hereby the aforesaid contract between The United States of America and The City of Burbank, of date November 10, 1931, shall be and remain in full force and effect, but the execution hereof is without prejudice to the right of the Municipality to present to the Secretary of the Interior in the future application for the extension or modification of the absorption period provided hereby.

MEMBER OF CONGRESS CLAUSE

(11) No Member of or Delegate to Congress or Resident Commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom. Nothing, however, herein contained shall be construed to extend to this contract if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By HAROLD L. ICKES,
Secretary of the Interior.

THE CITY OF BURBANK,
By FRANK C. TILLSON,
President of the Council.

[SEAL]

Attest:
R. H. HILL, *City Clerk.*

Approved as to form:
RALPH W. SWAGLE, *City Attorney.*

"EXHIBIT NO. 1"

(1) THIS CONTRACT, made as of the 22nd day of October, nineteen hundred thirty-four, pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the reclamation law, and particularly pursuant to the act of Congress approved December 21, 1928 (45 Stat. 1057), designated the Boulder Canyon project act, between the United States of America, hereinafter referred to as the United States, acting for this purpose by Harold L. Ickes, Secretary of the Interior, hereinafter styled the Secretary, and severally, The City of Los Angeles, a municipal Corporation, and its Department of Water and Power (said department acting herein in the name of the City, but as principal in its own behalf as well as in behalf of the City, the term City as used in this contract being deemed to be both The City of Los Angeles and its Department of Water and Power):

WITNESSETH THAT:

EXPLANATORY RECITALS

(2) WHEREAS, for the purpose of controlling the floods, improving navigation, and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters for reclamation of public lands and other beneficial uses exclusively within the United States, and for the generation of electrical energy, the Secretary, subject to the terms of the Colorado River compact, is authorized to construct, operate, and maintain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon, adequate to create a storage reservoir of a capacity of not less than twenty million acre-feet of water; also to construct, equip, operate, and maintain at or near said dam, or cause to be constructed, a complete plant and incidental structures suitable for the fullest economic development of electrical energy from the water discharged from said reservoir; and

(3) WHEREAS, the United States has entered into an agreement of date April 26, 1930, with the City and the Southern California Edison Co. Ltd., severally, for the lease and operation and maintenance of a government-built

power plant to be constructed at Boulder Dam, together with the right to generate electrical energy, and certain supplements thereto, dated respectively, May 28, 1930, and September 23, 1931, hereinafter collectively referred to as the Lease of Power Privilege; and

(4) WHEREAS, the United States has entered into an agreement of date September 29, 1931, with the City of Pasadena, and an agreement of date November 12, 1931, with the City of Glendale, and an agreement of date November 10, 1931, with the City of Burbank, said three last mentioned cities being hereinafter collectively referred to as the Municipalities; and

(5) WHEREAS, the City, by said Lease of Power Privilege, and by contracts with the said Municipalities, has assumed certain obligations with reference to electric energy allocated to the Municipalities and not contracted for by them, or contracted for and not used by them, and it is therefore to the interest of said City that the said contracts between the United States and the Municipalities should be modified as hereinafter provided; and

(6) WHEREAS, before it was determined that the United States would construct the Boulder Dam, and at a time when it was contemplated that the City might construct the same for water and electric supply purposes, the City acquired certain lands hereinafter particularly described, located within the Boulder Canyon Reservoir site, and it appears that by reason of the construction of said dam and the power plant and incidental works connected therewith, and the creation of said reservoir by the United States, and the making of certain contracts whereby, directly or indirectly, the City will receive both water and electricity from said reservoir, power plant and incidental works, such construction of said dam and creation of said reservoir will inure to the benefit of the City, and thereby the use of the said lands by the United States will be in furtherance of the purpose of their acquisition;

(7) NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to wit:

ABSORPTION PERIOD FOR MUNICIPALITIES

(8) The United States agrees that it will enter into several supplemental agreements with the Municipalities respectively, according to said Municipalities the same absorption privileges as by the said Lease of Power Privilege are accorded to the City, that is to say, each said supplemental agreement shall provide that in order to afford a reasonable time for the Municipalities respectively to absorb the energy contracted for, the minimum annual payments by them respectively for the first three (3) years after energy is ready for delivery to them respectively, as announced by the Secretary, as in said several agreements between the United States and the Municipalities dated respectively, September 29, 1931, November 12, 1931, and Novmber 10, 1931, provided, shall be as follows, in percentages of the ultimate annual obligation to take and/or pay for firm energy:

	Percent
First year	55
Second year	70
Third year	85
Fourth year and all subsequent years	100

It is understod, however, that each of said supplemental agreements shall contain a provision that if the requirements of said Municipalities, respectively, shall be greater than the percentages so provided for, such Municipalities shall respectively take energy, under their said contracts with the United States, up to the full amount of their respective requirements, within their respective allocations, (excepting such electricity as may necessarily be generated at steam standby plants operated by or for the benefit of said Municipalities, respectively, in order to keep the same operating as standby); and that each of such supplemental agreements shall contain a further provision that any energy so taken in excess of such specified percentages during said first, second and third years shall be paid for by the Municipalities, respectively, at the rate specified in said Lease of Power Privilege for secondary energy, to wit, one-half mill ($0.0005) per kilowatt-hour; and that each of such supplemental agreements shall contain the further provision that the making thereof is without prejudice to the right of the Municipalities respectively, to present to the Secretary of the Interior in the future applications for extension or modification of such absorption period provisions.

OBLIGATION OF THE CITY

(9) The provisions of Article (14), Subdivision F, Clause (ii) of said Lease of Power Privilege, shall not be construed to require the City, during the first three years, to take or pay for, in any event, any portion of the respective allocations to the said Municipalities other than the amounts by which their respective requirements may be less than fifty-five per centum (55%) of their respective ultimate annual obligations for the first year, or less than seventy per centum (70%) of their respective ultimate annual obligations for the second year, or less than eighty-five per centum (85%) of their respective ultimate annual obligations for the third year.

CITY LANDS IN RESERVOIR SITE

(10) The City agrees that it will convey to the United States, but without warranty, all the right, title and interest which it now has in or to those certain lands within the site of the Boulder Canyon Reservoir, in Clark County, Nevada, aggregating approximately 640 acres, and particularly described as follows, to wit:

The northeast quarter (NE¼) of the southwest quarter (SW¼), and the southeast quarter (SE¼) of the southeast quarter (SE¼) of Section thirty-three (33), Town-

ship sixteen (16) South, Range sixty-eight (68) East, M.D.M.; the north half (N½) of the northwest quarter (NW¼), the southwest quarter (SW¼) of the northeast quarter (NE¼), and the southeast quarter (SE¼) of the northwest quarter (NW¼) of Section thirty-five (35), Township seventeen (17) South, Range sixty-eight (68) East, M.D.M.; the east half (E½) of the southeast quarter (SE¼) of Section twenty-one (21), the west half (W½) of the southwest quarter (SW¼), and the southwest quarter (SW¼) of the northwest quarter (NW¼) of Section twenty-two (22); the south half (S½) of the northeast quarter (NE¼), and the northwest quarter (NW¼) of the northeast quarter (NE¼) of Section twenty-eight (28), Township eighteen (18) South, Range sixty-eight (68) East, M.D.M.; the southeast quarter (SE¼) of the southeast quarter (SE¼) of Section twenty (20), and the northwest quarter (NW¼) of the northeast quarter (NE¼) of Section twenty-nine (29), Township twenty (20) South, Range sixty-eight (68) East, M.D.M., excepting and reserving therefrom all water and water rights appurtenant or incident to said lands, or any part thereof.

The agreement in this Section 10 contained is contingent upon the approval of such transfer by Ordinance of the City Council of The City of Los Angeles, as required by the Charter of said City, but if such approval shall not be given by Ordinance effective within one hundred twenty (120) days from the date hereof, this contract in its entirety, shall be of no effect.

MEMBER OF CONGRESS CLAUSE

(11) No Member of or Delegate to Congress or Resident Commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom. Nothing, however, herein contained shall be construed to extent to this contract if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By HAROLD L. ICKES, *Secretary of the Interior.*

THE CITY OF LOS ANGELES, acting by and through its Board of Water and Power Commissioners,
By JOHN R. HAYNES, *President.*

Attest:
JAS. P. VROMAN, *Secretary.*

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, by the Board of Water and Power Commissioners,
By JOHN R. HAYNES, *President.*

Attest:
JAS. P. VROMAN, *Secretary.*

833942—50—35

STATE OF CALIFORNIA,
County of Los Angeles, City of Burbank, } *ss:*

I, R. H. Hill, City Clerk in and for the City of Burbank, California, hereby certify that the next attached is a true and correct copy of Resolution Number 1454, adopted by the City Council of the City of Burbank in regular session October 30, 1934, and that same was passed by the following vote:

Ayes: Hinton, Jackson, Lopsley, Rothe, Tillson.
Noes: None.
Not present: None.
Not voting: None.

Witness my hand and the official seal of the City of Burbank.

R. H. HILL,
City Clerk of the City of Burbank.
By ..... *Deputy.*

[SEAL]

RESOLUTION NO. 1454

WHEREAS, on November 10th, 1931, the City of Burbank entered into a contract with the United States of America for the delivery of electric energy to the City at Boulder Dam; and

WHEREAS, in said contract no provision was made for an absorption period for the municipality; and

WHEREAS, the United States of America, acting by and through the Department of the Interior, has submitted a proposed supplemental contract for electrical energy, providing for an absorption period for the City of Burbank; and

WHEREAS, such contract is beneficial and advantageous to the City of Burbank;

NOW, THEREFORE, the Council of the City of Burbank do resolve as follows, to-wit:

SECTION I: That the president of the Council of the City of Burbank is hereby authorized and directed to sign and the City Clerk to attest the proposed Supplemental Contract for Electrical Energy from the Boulder Canyon project as proposed by the Secretary of the Interior, for and on behalf of the City of Burbank.

Passed and adopted this 30th day of October, 1934.

FRANK TILLSON,
President of the Council of the City of Burbank.

[SEAL]

STATE OF CALIFORNIA,
County of Los Angeles, City of Burbank, } *ss:*

I, R. H. Hill, City Clerk of the City of Burbank, do hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the Council of the City of Burbank at their regular meeting held on the 30 day of October, 1934, by the following vote, to-wit:

Ayes: Hinton, Jackson, Lopsley, Rothe, Tillson.
Noes: None.
Absent: None.

R. H. HILL,
City Clerk of the City of Burbank.

[ITEM 47]

BOULDER CANYON PROJECT

SUPPLEMENTAL CONTRACT FOR ELECTRICAL ENERGY

THE UNITED STATES

AND

THE CITY OF GLENDALE

NOVEMBER 1, 1934

(*11r–673*)

(1) THIS SUPPLEMENTAL CONTRACT, made this 1st day of November, nineteen hundred thirty-four, pursuant to the Act of Congress approved June 17, 1902 (32 Stat., 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the reclamation law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat., 1057), designated the Boulder Canyon project act, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by Harold L. Ickes, Secretary of the Interior, hereinafter styled the Secretary, and THE CITY OF GLENDALE, a municipal corporation organized and existing under and by virtue of the laws of the State of California, hereinafter styled the Municipality:

WITNESSETH:

EXPLANATORY RECITALS

(2) WHEREAS, under date of November 12, 1931, the parties hereto entered into a contract whereby, among other things, the United States agreed to cause electric energy to be delivered to the Municipality at Boulder Dam, under and in pursuance of and subject to the provisions of a certain lease therein referred to, for the period therein specified, in accordance with an allocation therein set forth; and

(3) WHEREAS, in said contract dated November 12, 1931, no provision was made for an absorption period for the Municipality similar to that provided for the lessees in the aforesaid lease, and it appears just and equitable that provision for such absorption period should be made; and

(4) WHEREAS, The City of Los Angeles by the said lease and by contracts with the Municipality, and with other municipalities, has assumed certain obligations with reference to electric energy allocated to the Municipality, and other municipalities, and not contracted for by them, or contracted for and not used by them, and it is therefore to the interest of said City that the said contract between the United States and the Municipality, and similar contracts between the United States and other municipalities, should be modified as hereinafter provided, and the United States and said City of Los Angeles have entered into a certain contract dated October 22, 1934, by the terms of which the United States, upon considerations therein expressed, has agreed to modify its said contract with the Municipality dated November 12, 1931, and similar contracts between the United States and other municipalities, in the manner hereinafter provided, a copy of which said contract between the United States and said City of Los Angeles, dated October 22, 1934, is hereto attached and made a part hereof; and marked "Exhibit No. 1"; and

(5) WHEREAS, The City of Los Angeles has performed the agreements on its part to be performed as set forth in said contract dated October 22, 1934, by conveying to the United States in accordance with the terms of said agreement all its right, title and interest in and to the lands therein described;

(6) NOW, THEREFORE, in consideration of the mutual covenants contained herein, and in said contract between the United States and The City of Los Angeles dated October 22, 1934, the parties hereto mutually covenant and agree as follows, to wit:

(7) Article twelve (12) of the aforesaid contract of November 12, 1931, is hereby amended so as to read as follows, to wit:

CHARGES TO BE PAID THE UNITED STATES

(12) In consideration of this contract, the Municipality agrees:

(1) To pay the United States for the use of falling water for generation of energy for the Municipality as follows:

(a) One and sixty-three hundredths mills ($0.00163) per kilowatt-hour (delivered at transmission voltage) for all firm energy contracted for by it;

(b) One-half mill ($0.0005) per kilowatt-hour (delivered at transmission voltage) for energy which under the terms hereof is to be paid for at the rate for secondary energy;

(2) To pay the United States, for credit to the City, on account of use of the leased equipment as herein elsewhere provided; and

(3) To pay the United States, for credit to the City, on account of maintenance of said equipment in first class operating condition, including repairs to and replacements of machinery; provided, however, that, if the expenditures for replacements shall exceed at any time the sum accumulated by the City as a depreciation reserve in accordance with rules and regulations prescribed by the Secretary, pursuant to the Boulder Canyon project act, less all amounts previously withdrawn for replacements, then the rates aforesaid shall be readjusted as hereinafter provided so as to reimburse the City for such excess expenditures within the term of this contract.

At the end of fifteen (15) years from the date of execution of said Exhibit "A" (April 26, 1930), and every ten (10) years thereafter, the above rates of payment for energy shall be readjusted upon demand of either party hereto, either upward or downward as to price, as the Secretary may find to be justified by competitive conditions at distributing points or competitive centers.

The rate for falling water for generation of firm energy, which shall be uniform for both lessees and the Municipality, provided for by any such readjustment shall be arrived at by deducting from the price of electrical energy justified by competitive conditions at distributing points or competitive centers: (1) All fixed and operating costs of transmission to such points; (2) all fixed and operating costs of such portion of the power plant machinery as is to be operated and maintained by the several lessees, including the cost of repairs and replacements, together with such readjustments as to replacements is provided for in paragraph 3 in this Article; it being understood that such readjusted rates shall under no circumstances exceed the value of said energy, based upon competitive conditions at distributing points or competitive centers.

The charges agreed to be paid by the Municipality to the United States, for credit to the City as generaing agency, in his Article, shall be such proportion of the cost incurred by such generating agency as the Municipality and the City may agree, or failing such agreement, as the Secretary may determine.

The term "cost," as used with reference to generating energy, shall include a proper proportionate allowance for amortization of the cost of machinery and equipment as provided in Paragraph a of Article 9 of Exhibit A hereof, and interest on the prepayments thereof made by the City, a proper proportionate part of any annuity set-up in accordance with regulations of the Secretary provided for in Subdivision 3 of Article Sixteen (16) of Exhibit A hereof, and any additional expenditures made by the City with the approval of the Secretary, for the purpose of meeting the obligation of the City to make replacements; and a proper proportionate part of the actual outlay of the City for operating such machinery and equipment and keeping the same in repair, including reasonable overhead charges. The extent of the allowance for the several items in the event of disagreement between the City and Municipality, and the system of accounting therefor, shall be prescribed by the Secretary under uniform regulations as required by Section 6 of the Boulder Canyon project act.

(8) Article thirteen (13) of the aforesaid contract of November 12, 1931, is hereby amended so as to read as follows, to wit:

MONTHLY PAYMENTS AND PENALTIES

(13) The Municipality shall pay monthly for energy in accordance with the rates established or provided for herein, and for the generation thereof as provided in Article twelve (12).

When energy taken in any month is not in excess of one-twelfth (1/12) of the minimum annual obligation, bill for such month shall be computed at the rate for firm energy in effect when such energy was taken on the basis of the actual amount of energy used during such month. All energy used during any month in excess of one-twelfth (1/12) of the minimum annual obligation shall be paid for at the rate for secondary energy in effect when such energy was taken; provided, however, that the secondary rate shall not apply to any energy taken during any month unless and until an amount of energy equivalent to one-twelfth (1/12) of the minimum annual obligation has been taken for all months beginning with the month of June immediately preceding; provided, however, that the bill for the month of May shall not be less than the difference between the minimum annual payment, as provided in Article fourteen (14) hereof, and the sum of the amounts charged for firm energy during the preceding eleven months. The United States will submit bills to the Municipality by the fifth of each month immediately following the month during which the energy is generated, and payments shall be due on the first day of the month immediately succeeding. If such charges are not paid when due, a penalty of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional penalty of one per centum (1%) of the amount unpaid shall be added on the first day of each calendar month thereafter during such delinquency.

The monthly charge for generation of such energy to be credited to the generating agency shall be in such amount as may be determined in accordance with Article twelve (12) hereof.

(9) Article fourteen (14) of the aforesaid contract of November 12, 1931, is hereby amended so as to read as follows, to wit:

MINIMUM ANNUAL PAYMENT

(14) The minimum quantity of firm energy which the Municipality shall take and/or pay for each year (June 1st to May 31st, inclusive), under the terms of this contract, and after the same is ready for delivery to the Municipality, as provided in subdivision (a) of Article eleven (11) hereof, shall be 1.8867 per centum of all firm energy as defined in Article nine (9) hereof, available in said year. The total payments made by the Municipality for firm energy available in any year (June 1st to May 31st, inclusive), whether any energy is taken by it, or not, exclusive of its payments for credit to the generating agency, shall be not less than the number of kilowatt-hours of firm energy which the Municipality is obligated to take and/or pay for during said year, multiplied by one and sixty-three hundredths mills ($0.00163), or multiplied by the adjusted rate of payment for firm energy in case the said rate is adjusted as provided in Article twelve (12) hereof. For a fractional year at the beginning or end of the contract period, the minimum annual payment for firm energy shall be proportionately adjusted in the ratio that the number of days water is available for generation of energy in such fractional year bears to three hundred sixty-five (365). Provided, however, that in order to afford a reasonable time for the Municipality to absorb the energy contracted for, the minimum annual payments by it for the first three (3) years after energy is ready for delivery to it, as announced by the Secretary, as herein elsewhere provided, shall be

as follows, in percentages of the ultimate annual obligation, to take and/or pay for firm energy:

	Percent
First year	55
Second year	70
Third year	85
Fourth year and all subsequent years	100

PROVIDED, FURTHER, that the minimum annual payment shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article seventeen (17) hereof.

It is understood, however, that if the requirements of the Municipality shall be greater than the percentages so provided for, the Municipality shall take energy under this contract up to the full amount of its requirements within its allocation (excepting such electricity as may necessarily be generated at steam standby plants in order to keep the same operating as standby plants).

During said absorption period, if the quantity of energy taken in any one year (June 1st to May 31st, inclusive), is in excess of the above percentages of the ultimate obligation during such year to take and/or pay for firm energy, such excess shall be paid for at the rate for secondary energy.

The total payments made by the Municipality for generation of such energy, to be credited to the generating agency, shall be determined in accordance with Article (12) hereof.

FORMER CONTRACT MODIFIED ONLY AS EXPRESSLY AMENDED HEREIN

(10) Except as expressly amended hereby the aforesaid contract between The United States of America and The City of Glendale, of date November 12, 1931, shall be and remain in full force and effect, but the execution hereof is without prejudice to the right of the Municipality to present to the Secretary of the Interior in the future application for the extension or modification of the absorption period provided hereby.

MEMBER OF CONGRESS CLAUSE

(11) No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom. Nothing, however, herein contained shall be construed to extend to this contract if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties herto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By HAROLD L. ICKES,
Secretary of the Interior.

THE CITY OF GLENDALE,
By J. F. BAUDINO, *Mayor.*

[SEAL]

Attest:

G. E. CHAPMAN,
City Clerk, City of Glendale.

Approved as to form:

BERNARD BRENNAN, *City Attorney.*

EXHIBIT NO. 1

(1) THIS CONTRACT, made as of the 22nd day of October, nineteen hundred thirty-four, pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the reclamation law, and particularly pursuant to the act of Congress approved December 21, 1928 (45 Stat. 1057), designated the Boulder Canyon project act, between the United States of America, hereinafter referred to as the United States, acting for this purpose by Harold L. Ickes, Secretary of the Interior, hereinafter styled the Secretary, and severally, The City of Los Angeles, a municipal corporation, and its Department of Water and Power (said department acting herein in the name of the City, but as principal in its own behalf as well as in behalf of the City, the term City as used in this contract being deemed to be both The City of Los Angeles and its Department of Water and Power):

WITNESSETH THAT:

EXPLANATORY RECITALS

(2) WHEREAS, for the purpose of controlling the floods, improving navigation, and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters for reclamation of public lands and other beneficial uses exclusively within the United States, and for the generation of electrical energy, the Secretary, subject to the terms of the Colorado River compact, is authorized to construct, operate, and maintain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon, adequate to create a storage reservoir of a capacity of not less than twenty million acre-feet of water; also to construct, equip, operate, and maintain at or near said dam, or cause to be constructed, a complete plant and incidental structures suitable for the fullest economic development of electrical energy from the water discharged from said reservoir; and

(3) WHEREAS, the United States has entered into an agreement of date April 26, 1930, with the City and the Southern California Edison Co. Ltd.,

severally, for the lease and operation and maintenance of a government-built power plant to be constructed at Boulder Dam, together with the right to generate electrical energy, and certain supplements thereto, dated respectively, May 28, 1930, and September 23, 1931, hereinafter collectively referred to as the Lease of Power Privilege; and

(4) WHEREAS, the United States has entered into an agreement of date September 29, 1931, with the City of Pasadena, and an agreement of date November 12, 1931, with the City of Glendale, and an agreement of date November 10, 1931, with the City of Burbank, said three last mentioned cities being hereinafter collectively referred to as the Municipalities; and

(5) WHEREAS, the City, by said Lease of Power Privilege, and by contracts with the said Municipalities, has assumed certain obligations with reference to electric energy allocated to the Municipalities and not contracted for by them, or contracted for and not used by them, and it is therefore to the interest of said City that the said contracts between the United States and the Municipalities should be modified as hereinafter provided; and

(6) WHEREAS, before it was determined that the United States would construct the Boulder Dam, and at a time when it was contemplated that the City might construct the same for water and electric supply purposes, the City acquired certain lands hereinafter particularly described, located within the Boulder Canyon Reservoir site, and it appears that by reason of the construction of said dam and the power plant and incidental works connected therewith, and the creation of said reservoir by the United States, and the making of certain contracts whereby, directly or indirectly, the City will receive both water and electricity from said reservoir, power plant and incidental works, such construction of said dam and creation of said reservoir will inure to the benefit of the City, and thereby the use of the said lands by the United States will be in furtherance of the purpose of their acquisition;

said City that the said contracts between the United States and the Municipalities

(7) NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to wit:

ABSORPTION PERIOD FOR MUNICIPALITIES

(8) The United States agrees that it will enter into several supplemental agreements with the Municipalities respectively, according to said Municipalities the same absorption privileges as by the said Lease of Power Privilege are accorded to the City, that is to say, each said supplemental agreement shall provide that in order to afford a reasonable time for the Municipalities respectively to absorb the energy contracted for, the minimum annual payments by them respectively for the first three (3) years after energy is ready for delivery to them respectively, as announced by the Secretary, as in said several agreements between the United States and the Municipalities dated respectively, September

29, 1931, November 12, 1931, and November 10, 1931, provided, shall be as follows, in percentages of the ultimate annual obligation to take and/or pay for firm energy:

	Percent
First year	55
Second year	70
Third year	85
Fourth year and all subsequent years	100

It is understood, however, that each of said supplemental agreements shall contain a provision that if the requirements of said Municipalities, respectively, shall be greater than the percentages so provided for, such Municipalities shall respectively take energy, under their said contracts with the United States, up to the full amount of their respective requirements, within their respective allocations, (excepting such electricity as may necessarily be generated at steam standby plants operated by or for the benefit of said Municipalities, respectively, in order to keep the same operating as standby); and that each of such supplemental agreements shall contain a further provision that any energy so taken in excess of such specified percentages during said first, second and third years shall be paid for by the Municipalities, respectively, at the rate specified in said Lease of Power Privilege for secondary energy, to wit, one-half mill ($0.0005) per kilowatt-hour; and that each of such supplemental agreements shall contain the further provision that the making thereof is without prejudice to the right of the Municipalities respectively, to present to the Secretary of the Interior in the future applications for extension or modification of such absorption period provisions.

OBLIGATION OF THE CITY

(9) The provisions of Article (14), Subdivision F, Clause (ii) of said Lease of Power Privilege, shall not be construed to require the City, during the first three years, to take or pay for, in any event, any portion of the respective allocations to the said Municipalities other than the amounts by which their respective requirements may be less than fifty-five per centum (55%) of their respective ultimate annual obligations for the first year, or less than seventy per centum (70%) of their respective ultimate annual obligations for the second year, or less than eighty-five per centum (85%) of their respective ultimate annual obligations for the third year.

CITY LANDS IN RESERVOIR SITE

(10) The City agrees that it will convey to the United States, but without warranty, all the right, title and interest which it now has in or to those certain lands within the site of the Boulder Canyon Reservoir, in Clark County, Nevada,

aggregating approximately 640 acres, and particularly described as follows, to wit:

The northeast quarter (NE¼) of the southwest quarter (SW¼), and the southeast quarter (SE¼) of the southeast quarter (SE¼) of Section thirty-three (33), Township sixteen (16) South, Range sixty-eight (68) East, M.D.M.; the north half (N½) of the northwest quarter (NW¼), the southwest quarter (SW¼) of the northeast quarter (NE¼), and the southeast quarter (SE¼) of the northwest quarter (NW¼) of Section thirty-five (35), Township seventeen (17) South, Range sixty-eight (68) East, M.D.M.; the east half (E½) of the southeast quarter (SE¼) of Section twenty-one (21), the west half (W½) of the southwest quarter (SW¼), and the southwest quarter (SW¼) of the northwest quarter (NW¼) of Section twenty-two (22); the south half (S½) of the northeast quarter (NE¼), and the northwest quarter (NW¼) of the northeast quarter (NE¼) of Section twenty-eight (28), Township eighteen (18) South, Range sixty-eight (68) East, M.D.M.; the southeast quarter (SE¼) of the southeast quarter (SE¼) of Section twenty (20), and the northwest quarter (NW¼) of the northeast quarter (NE¼) of Section twenty-nine (29), Township twenty (20) South, Range sixty-eight (68) East, M.D.M., excepting and reserving therefrom all water and water rights appurtenant or incident to said lands, or any part thereof.

The agreement in this Section 10 contained is contingent upon the approval of such transfer by Ordinance of the City Council of The City of Los Angeles, as required by the Charter of said City, but if such approval shall not be given by Ordinance effective within one hundred twenty (120) days from the date hereof, this contract in its entirety, shall be of no effect.

MEMBER OF CONGRESS CLAUSE

(11) No Member of or Delegate to Congress or Resident Commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom. Nothing, however, herein contained shall be construed to extend to this contract if made with a corporation for its general benefit.

In witness whereof, the parties hereto have caused this contract to be executed as of the day and year first above written.

THE UNITED STATES OF AMERICA,
By HAROLD L. ICKES, *Secretary of the Interior.*

THE CITY OF LOS ANGELES, acting by and through its Board of Water and Power Commissioners,
By JOHN R. HAYNES, *President.*

Attest:
JAS. P. VROMAN, *Secretary.*

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, by the Board of Water and Power Commissioners.
By JOHN R. HAYNES, *President.*

Attest:
JAS. P. VROMAN, *Secretary.*

RESOLVED, by the Council of the City of Glendale, that that certain Supplemental Contract, dated the 1st day of November, 1934, between the United States of America, acting by Harold L. Ickes, Secretary of the Interior, and the City of Glendale, by the terms of which the contract, under date of November 12, 1931, between the parties hereto is modified in certain respects, be and the same is hereby approved and the Mayor is authorized to execute the same in duplicate on behalf of the City of Glendale and the City Clerk is directed to attest the same and affix the official seal of the City of Glendale thereto.

STATE OF CALIFORNIA,
County of Los Angeles, City of Glendale, } *ss:*

I, G. E. Chapman, City Clerk of the City of Glendale, do hereby certify that the foregoing resolution was passed by the Council of the City of Glendale at its regular meeting held on the 1st day of November, 1934, by the following vote, to-wit:

Ayes: Baudino, Davis, Grey, Lee, Olson.
Noes: None.
Absent: None.

G. E. CHAPMAN,
City Clerk of the City of Glendale.

[SEAL]

[ITEM 48]

BOULDER CANYON PROJECT

SUPPLEMENTAL CONTRACT FOR GENERATION AND TRANSMISSION OF POWER

THE CITY OF LOS ANGELES

AND

THE CITY OF PASADENA

JUNE 18, 1935

(No. 1573–1)

(1) THIS SUPPLEMENTAL CONTRACT, made this 18th day of June, nineteen hundred thirty-five between the CITY OF LOS ANGELES, a municipal corporation, and DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, acting for this purpose by its Board of Water and Power Commissioners, hereinafter styled the City, and the CITY OF PASADENA, hereinafter styled the Municipality:

WITNESSETH THAT:

EXPLANATORY RECITALS

(2) WHEREAS, under date of September 24, 1931, the parties hereto entered into a contract whereby, among other things, the City agreed under the terms and conditions therein set forth to generate and transmit certain energy contracted for by the Municipality by contract with the United States of America, to which contract and to the recitals contained therein and agreements attached thereto reference is hereby made; and

(3) WHEREAS, the existing electric system of the Municipality is designed to operate at a frequency of fifty (50) cycles per second, and the City desires that the energy to be generated and transmitted by it for the Municipality under said contract dated September 24, 1931, should be generated, transmitted, and delivered to the Municipality at a frequency of sixty (60) cycles per second; and

(4) WHEREAS, the delivery of such energy at a frequency of sixty (60) cycles per second will necessitate changes and adjustments in portions of the electric system of the Municipality and in portions of the electrical equipment of consumers supplied by the Municipality, and the Municipality has claimed that it will suffer substantial damage by reason thereof (although the City does not concede that any such damage would in fact be suffered, but on the contrary, maintains that such generation, transmission and delivery at a frequency of sixty (60) cycles per second as proposed, while involving substantial expenditures, will make possible both immediate and future economies more than offsetting such expense);

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to wit:

FREQUENCY

(5) That the generation, transmission, and delivery of energy by the City for the Municipality, pursuant to said contract dated September 24, 1931, shall, within the limits of standard practice, be at a frequency of sixty (60) cycles per second, and that the Municipality waives and relinquishes any and all claims or demands whatsoever on account of such generation, transmission, and delivery being made at said frequency, and agrees that it will hold harmless and indemnify the City against any claim or liability of or to the Municipality or its consumers by reason of such generation, transmission, and delivery at said frequency.

PLACE AND CONDITIONS OF DELIVERY

(6) Subject to the understanding that such point of delivery may be changed by mutual agreement at any future time during the continuance of said contract, dated September 24, 1931, the agreed location at which the City will deliver the energy transmitted for the Municipality, under the provisions of Sec. 22

of said contract, shall be the City's Central Receiving Station, hereinafter referred to as Station "A," located at 1630 North Main Street, in the City of Los Angeles.

It is agreed that the City will deliver such energy to the Municipality at said Station "A" without payment or compensation to the City for the use of its local high voltage transmission line between Station "B," referred to in the contract dated September 24, 1931, as the Central Receiving Station in the City of Los Angeles, and Station "A," but suitable correction shall be made in the amounts of energy and its power factor to be delivered to the Municipality at said Station "A" on account of losses in transmission, transformations, and alterations in power factor resulting from delivering the same at Station "A" delivery bus instead of Station "B" delivery bus. Said energy will be delivered to the Municipality at Station "A's" 34.5 kv. bus.

CONSTRUCTION OF TRANSMISSION LINES FROM STATION "A"

(7) The City will construct two 34.5 kv. overhead transmission lines of suitable size of conductor between said Station "A's" 34.5 kv. bus to the city limits of the City of Los Angeles in accordance with plans and specifications to be approved by the Municipality to connect with the Municipality's electrical system for receiving Boulder Canyon energy. The Municipality reserves the right to furnish to the City any or all of the materials for the construction of said overhead transmission lines; provided, that the specifications shall specify what materials, if any, the Municipality will furnish for such purpose.

The Municipality, upon the completion of said transmission lines, will, on demand, reimburse the City for all labor and materials furnished and equipment used by it in the construction of said lines; also, the Municipality will, on demand reimburse the City for the cost of all rights of way furnished or secured for said lines; for all claims settled or compromised, judgments, or awards for injuries to persons or property incurred in connection with the construction of said lines; for stubs and anchor permits; rights for joint use of poles; the cost of removing or trimming trees; and the cost of changing, replacing, or relocating lines of other utilities. The Municipality will, on demand, further pay to the City an auxiliary construction percentage charge of 25% of the total direct charges for labor furnished by the City, and 6% of the total cost of materials furnished by the City in constructing said lines. When said overhead transmission lines have been accepted by the Municipality and payment has been made therefor, as herein provided, the Municipality shall own, operate, and maintain said transmission lines in the manner and in accordance with the terms and provisions of said contract dated September 24, 1931, and this supplemental agreement.

The City further agrees to install, equivalent to those installed in the City's stations but satisfactory to the Municipality, the necessary oil circuit breakers,

switches, and switching arrangements to connect said 34.5 kv. overhead transmission lines at said Station "A," and the Municipality agrees to reimburse the City therefor in the manner and at the times provided in the immediately preceding paragraph hereto as one of the items to be considered in determining the total construction cost payable to the City.

RIGHTS OVER STREETS

(8) The City hereby grants to the Municipality the right to operate and maintain, in accordance with the provisions of the contract dated September 24, 1931, and this supplemental agreement, the aforesaid two transmission lines on, across, along, and over the streets, alleys, avenues, and highways where said lines are to be located. The general description of the route and the locations of said lines are as follows:

Line No. 1.

Beginning at Station "A" of the Bureau of Power and Light of the City of Los Angeles at approximately North Main Street and the Los Angeles River, the line will span the Los Angeles River to a point where Cardinal Street and Gibbons Street meet. Thence Easterly along the North side of Cardinal Street to the East side of Clover Street. Thence Easterly along a private right of way to the West side of Antonia Street. Thence in a Northerly direction along the West side of Antonia Street and Avenue 19 to the South side of Darwin Street. Thence in an Easterly direction along the South side of Darwin Street to the East side of Gates Avenue. Thence in a Northerly direction along the East side of Gates Avenue to the North side of Barbee Street. Thence in an Easterly direction over the North side of Barbee Street and a privat right of way to the East side of Mission Road. Thence in a Northeasterly direction along the East side of Mission Road and Huntington Drive South to a point where Huntington Drive South and Monterey Road meet. Thence in a Westerly and Northerly direction along the South and West sides of Monterey Road to the Alley between Paula Street and Huntington Drive North. Thence in an Easterly direction over the alley between Huntington Drive North and Paula Street to Collis Avenue. Thence in a Northerly direction along the West side of Collis Avenue to a point approximately 500 feet south of Avenue 60 at which point line enters the City of South Pasadena. Line reenters the City of Los Angeles on the North side of Avenue 60 approximately 50 feet East of Hellman Avenue and extends in a Westerly direction along the North side of Avenue 60 to the West side of Hellman Avenue. Thence in a Northerly direction along the West side of Hellman Avenue to the South Pasadena City limits. (At this point, line enters the City of South Pasadena for a short distance and enters Los Angeles again where the City boundary crosses Pine Crest Drive.)

Beginning at a point on the South side of Pine Crest Drive at the city boundary, between the cities of Los Angeles and South Pasadena, line to extend in a Westerly direction to the East side of Lomitas Drive. Thence in a North and Northwesterly direction along Lomitas Drive to a point on the North side of Monterey Road, approximately opposite the West side of Lomitas Drive. Thence along a private right of way in a northerly direction to a point on Arroyo Drive approximately 150 feet East of Marmion Way. Thence in a easterly direction along the South side of Arroyo Drive to a point where the boundary line between the City of Los Angeles and the City of South Pasadena crosses Arroyo Drive. At this point the

line enters South Pasadena and continues to a point where Bridewell Avenue extended would meet the North side of Pasadena Avenue.

Beginning at a point where Bridewell Avenue extended would meet Pasadena Avenue, line to extend in a Northeasterly direction along the South side of Bridewell Street to the South or West side of Hough Street. Thence on the South or West side of Hough Street to the South or East side of Chestnut Street. Thence on the North or East side of Hough Street to the North side of San Pascual Avenue. Thence on the North side of San Pascual Avenue to the Los Angeles City limits.

Line No. 2

Beginning at Station "A" of the Bureau of Power and Light of the City of Los Angeles at approximately North Main Street and the Los Angeles River, the line will span the Los Angeles River to a point where Cardinal Street and Gibbons Street meet. Thence in a Southerly direction along the East side of Gibbons Street and by right of way to the North side of Alhambra Avenue. Thence in an Easterly direction along the North side of Alhambra Avenue to the West side of Workman Street. Thence across to the South side of Alhambra Avenue and Easterly to the West side of Griffin Avenue. Thence in a Northerly direction along the West side of Griffin Avenue to the North side of Avenue 33. Thence in a Westerly direction along the North side of Avenue 33 to Pasadena Avenue. Thence in a Northeasterly direction along the South side of Pasadena Avenue and Figueroa Street to a point approximately 400 feet North of Sycamore Park Drive. Thence to the North side of Figueroa Street at Woodside Drive and along the North side of Figueroa Street to the West side of Avenue 50. Thence along the West side of Avenue 50 to the South side of Marmion Way. Thence along the South side of Marmion Way in an Easterly or Northeasterly direction to Avenue 57. Thence along the North side of Marmion Way to the East side of Avenue 59. Thence along the East side of Avenue 59 to the South side of Piedmont Avenue. Thence in an easterly direction along the South side of Piedmont Avenue and Marmion Way to the West side of Avenue 63. Thence in a Northerly direction along the West side of Avenue 63 to the South side of Garvanza Avenue. Thence in an Easterly direction along the South side of Garvanza Avenue to the West side of Avenue 65. Thence in a Northerly direction along the West side of Avenue 65 to the South side of Meridan Street. Thence in an Easterly direction along the South side of Meridan Street to Avenue 66. Thence along a private right of way to a point on San Pascual Avenue approximately 335 feet Northeast of the Intersection of San Pascual Avenue and Hough Street. Thence along the North side of San Pascual Avenue to the Los Angeles City limits.

A map is attached hereto showing in red lines the route of said transmission lines and the streets, alleys, highways, and avenues along and across which said lines are located.

The City also hereby grants to the Municipality the reasonable use of such other streets and alleys within the City as may in the future be necessary for the transmission of said energy, upon the approval by the City Council of the terms, conditions, and location of such other and additional proposed use of said other streets and alleys.

The City further agrees to execute and deliver such easements and rights of way as may be necessary over real property owned by the City, if there be any, required for the construction, operation, and maintenance of said lines.

TRANSMISSION LINE CONSTRUCTION COSTS

(9) That paragraph 2 of Section (10) of said contract dated September 24, 1931, is hereby amended so as to read as follows, to wit:

2. The determination shall be made through the point by point method, whether by computation or the use of a calculator board, using a factor of 80% as the relation of the reliable operating capacity to the maximum kilowatts that can be carried immediately prior and subsequent to a short circuit between two line conductors and ground at the most unfavorable location along the line; the duration of the short circuit being eleven hundredths (.11) of a second; the short circuit resulting in separating one section of one circuit through relaying; and the standby and regulating plant capacity idling without appreciable load.

That Section (20) of said contract dated September 24, 1931, is hereby amended so as to read as follows, to wit:

(20) OPTION TO RENEW:

The Municipality shall have the option of continuing its right to have the energy covered by its Contract with the United States generated by the City and transmitted by it over the transmission line after termination of this Contract during the period of time, if any, the City may continue to operate and maintain the necessary generating machinery at the power plant and the transmission line on a basis of the Municipality paying its proportionate share of costs of operation, maintenance, and replacements of the generating machinery and of the transmission line on terms and conditions consistent with the then existing laws and provisions of this Contract. If, during the period of this contract any substitution or partial substitution is made by the City for the transmission line, the Muncipality shall likewise have the option to have its aforesaid energy transmitted by said substituted method on a basis of the Municipality, in addition to discharging all its obligations hereunder, including payment of the unpaid balance of its share of the construction costs of the original transmission line, if any, less its proportionate share of credit from salvaging said original transmission line or any part thereof, paying its proportionate share of the costs of said substituted equipment, together with its proportionate share of costs of operation, maintenance and replacement on terms and conditions that are consistent with the then existing laws and provisions of this contract.

INTERCHANGE OF ENERGY

(10) That in the event, during the operation under said contract dated September 24, 1931, and this supplemental contract, it should be desirable during times of emergency to interchange energy back and forth between the Municipality and the City, the parties hereto agree, so far as they may do so under their respective Charters, and consistently with existing contract obligations, to interchange energy, one with the other, under emergency conditions at a compensation to be agreed upon; provided in either case it is consistent with the service of the party supplying such emergency service.

That if in the future the City shall construct any additional circuit or circuits to the main transmission line for the purpose of transmitting to the City energy generated at Boulder Dam, the parties hereto may by mutual agreement cooperate in providing for additional line capacity for the Municipality.

OPERATING CHARACTERISTICS AND CONDITIONS

(11) That the requirement of said contract dated September 24, 1931, that standby and regulating plant capacity provided and operated by the Municipality shall be such as may be and is operated successfully in conjunction with the standby and regulating plant of the City, shall extend to any additional generating capacity which may be provided by the Municipality, and that any substantial change in, addition to, or connection with the system of the Municipality shall be such as may be operated successfully in conjunction with the system of the City without occasioning avoidable interruptions of service or other disadvantageous operating conditions on the system of the City, and, to the end that no such avoidable interruptions of service or other disadvantageous operating conditions shall exist, the Municipality shall not interconnect its electric system with any electric system other than that of the City without having given advance notice to the City of its intention so to do, and such interconnection having been approved in writing by the City; provided, however, that the Municipality may connect a portion or all of the system to any other electric system so long as such connection will not result in an interconnection of said other electrical system with the system of the City; and provided further, that such connection shall not result in increasing the amount of energy which the City, under existing contracts of the parties hereto with the United States of America, shall be required to pay for, and shall not relieve the Municipality from taking and paying for the full amount of energy, as provided for under existing contracts with the United States.

STANDBY PLANT

(12) The Municipality shall furnish its own standby plant, and at all times when its system load exceeds 5000 kw. it will keep a generating machine or machines running in synchronism with the Boulder Canyon generating machinery and the transmission line and electrical system of the City. When the Municipality's system load shall be less than 5000 kw. it may at its option, after notifying the City, disconnect its standby generating machine or machines, and if, under such conditions, the Municipality's system should not be in parallel with its standby, the City may in emergencies drop off the Municipality's load.

(13) It is understood and agreed by and between the parties hereto that the adoption of a resolution by the City Council of the City of Los Angeles

ratifying and confirming the execution of this contract by the President or Vice-President of the Board of Water and Power Commissioners of the City of Los Angeles, attested by the Secretary of said Board, shall be deemed a due and complete execution hereof on behalf of said City.

DURATION OF CONTRACT

(14) That this supplemental contract shall continue in effect so long as the said contract dated September 24, 1931, to which it is supplemental, shall continue in effect, and that except as expressly modified hereby said contract dated September 24, 1931, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Contract to be executed the day and year first above written.

THE CITY OF LOS ANGELES, acting by and through its Board of Water and Power Commissioners,
By JOHN R. HAYNES, *President.*

Attest:
(S) JAS. P. VROMAN, *Secretary.*

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, by the Board of Water and Power Commissioners.
By JOHN R. HAYNES, *President.*

Attest:
(S) JAS. P. VROMAN, *Secretary.*

THE CITY OF PASADENA,
By EDWARD O. NAY,
Chairman of the Board of Directors of the City of Pasadena.

Attest:
(S) BESSIE CHAMBERLAIN, *City Clerk.*

Approved as to Form this
12th day of June, 1935:
RAY L. CHESEBRO, *City Attorney.*
By F. M. BOTTORFF, *Deputy.*

Approved June 17, 1935:
(S) B. F. DELANTY, *General Manager,*
Light & Power Dept.

Approved as to form
this 17th day of June, 1935:
HAROLD P. HULS, *City Attorney.*
By L. A. DIETHER, *Assistant City Attorney.*

MOTION No. 9224

June 18, 1935.

Moved by Director A. I. Stewart

That the Supplemental Contract for the generation and transmission of power, a copy of which is attached hereto and made a part hereof, between the City of Los Angeles, a municipal corporation, and the Department of Water and Power of the City of Los Angeles, acting for this purpose by its Board of Water and Power Commissioners, hereinafter referred to as "Los Angeles," and the City of Pasadena, hereinafter referred to as "Pasadena," whereby the electric energy to be generated and transmitted from Boulder Dam Power Plant by Los Angeles for Pasadena under the terms and provisions of the contract between said cities dated September 24, 1931, being Contract No. 1573 on file in the office of the City Clerk, shall be generated and transmitted at a frequency of sixty (60) cycles per second and that said electric energy shall be delivered at Station "A" in Los Angeles instead of at Station "B" pursuant to the terms and conditions set forth in said contract, is hereby approved and the Chairman of the Board of Directors is hereby authorized and directed to execute said contract in triplicate and the City Clerk is hereby authorized and directed to attest his signature and attach thereto the corporate seal of the City and to deliver the original and one copy of said contract to Fred M. Bottorff, Esq., 207 S. Broadway, Los Angeles, California, in order that said contract may be presented to the legislative body of the City of Los Angeles for confirmation and ratification, and after said Supplemental Contract has been so confirmed and ratified, the City Clerk is authorized and directed to attach said Supplemental Contract to Contract No. 1573.

Motion duly seconded and carried by the following vote:

Ayes: Directors, Brenner, Dawson, Munson, Nay, Stewart, Wopschall.

Noes: None.

Absent: Director Riccardi.

I hereby certify that the foregoing document is a full, true and correct copy of Motion No. 9224 on file in the office of the City Clerk of the City of Pasadena.

(S) BESSIE CHAMBERLAIN, *City Clerk.*

By (S) BETTY PURCELL, *Deputy.*

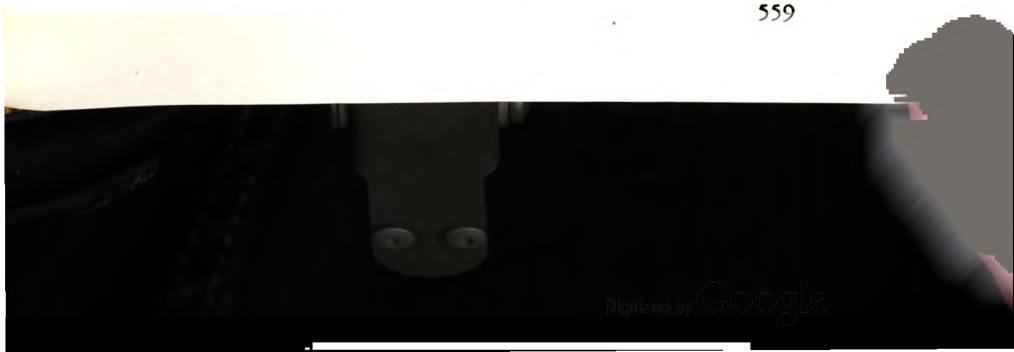
RESOLUTION No. 984

BE IT RESOLVED, By the Board of Water and Power Commissioners of the City of Los Angeles that said Board of Water and Power Commissioners, for and on behalf of, and in the name of, the City of Los Angeles and Department of Water and Power of the City of Los Angeles, enter into and execute a Supplemental Contract with the City of Pasadena, a municipal corporation, providing among other things, that the energy to be generated at and transmitted from Boulder Dam by the City for the City of Pasadena under the terms and provisions of the contract between said cities, dated September 24, 1931, shall be generated and transmitted at a frequency of 60 cycles per second, and that said energy shall be delivered at Station "A" in the City of Los Angeles instead of at Station "B," all of the terms and conditions being set forth in the proposed form of said supplemental contract, a true copy of which is on file with the Secretary of this Board, and is hereby ordered to be spread upon the minutes of this meeting of this Board;

BE IT FURTHER RESOLVED, That the President or Vice-President and Secretary of this Board be, and they are hereby, authorized and directed to execute in duplicate said supplemental contract in said form in the name of the City of Los Angeles and in the name of the Department of Water and Power of the City of Los Angeles, to affix the official seal of the Department of Water and Power thereto, and to deliver said supplemental contract to said City of Pasadena upon the adoption of a resolution by the City Council of the City of Los Angeles ratifying and confirming the execution of said supplemental contract by the President or Vice-President of the Board of Water and Power Commissioners of the City of Los Angeles, attested by the Secretary of said Board;

BE IT FURTHER RESOLVED, That a certified copy of this resolution, together with a true copy of said supplemental contract now on file with the Secretary of this Board, and as executed aforesaid, be forthwith submitted to the City Council of the City of Los Angeles with the request that this resolution, said supplemental contract, and the execution thereof, as herein provided for, be approved.

I HEREBY CERTIFY, that the foregoing is a full, true and correct copy of a



resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held June 13, 1935.

(S) JAS. P. VROMAN, *Secretary.*

Approved as to form
this 12th day of June, 1935:
RAY L. CHESEBRO, *City Attorney.*
(S) F. M. BOTTORFF, *Deputy.*

ORDINANCE No.—

AN ORDINANCE APPROVING, RATIFYING, AND CONFIRMING THE EXECUTION OF A CERTAIN SUPPLEMENTAL CONTRACT FOR GENERATION AND TRANSMISSION OF POWER BETWEEN THE CITY OF LOS ANGELES, THE DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, AND THE CITY OF PASADENA, A MUNICIPAL CORPORATION, AND APPROVING THE RESOLUTION ADOPTED BY THE BOARD OF WATER AND POWER COMMISSIONERS OF THE CITY OF LOS ANGELES ON THE 13TH DAY OF JUNE, 1935, AUTHORIZING THE EXECUTION OF SAID SUPPLEMENTAL CONTRACT.

WHEREAS, the Board of Water and Power Commissioners of the City of Los Angeles did, on the 13th day of June, 1935, adopt a certain resolution authorizing the execution of a supplemental contract by and between the City of Los Angeles and the Department of Water and Power of the City of Los Angeles and the City of Pasadena providing, among other things, that the energy to be generated at and transmitted from Boulder Dam by the City of Los Angles for the City of Pasadena under the terms and provisions of the contract between said cities dated September 24, 1931, shall be generated and transmitted at a frequency of sixty (60) cycles per second, and that said energy shall be delivered at Station "A" in the City of Los Angeles instead of at Station "B," and said supplemental contract further providing for the construction by the City for the City of Pasadena, and at the cost of the City of Pasadena, of two transmission lines extending from Station "A" to the city limit of Pasadena, to be used for the transmission by Pasadena of said Boulder Dam energy from said Station "A," and for the right to operate and maintain said transmission lines on, across, along, and over the streets, alleys, avenues, and highways where said lines are to be located, said streets, alleys, avenues, and highways being designated therein, a true copy of which supplemental contract is on file with the City Clerk of the City of Los Angeles and is duly certified by the Secretary of said Board to be a true and correct copy of said copy on file in his office, the execution of which was by said resolution of said Board duly authorized; and

WHEREAS, the City of Pasadena has executed said supplemental contract, and

WHEREAS, Section 13 of said supplemental contract, in substance, provides that the execution of the supplemental contract by the President or Vice-President of the Board of Water and Power Commissioners of the City of Los Angeles shall be deemed a due and complete execution thereof on behalf of the City of Los Angeles upon the approval, ratification, and confirmation of the City Council of said City of Los Angeles:

NOW, THEREFORE, THE PEOPLE OF THE CITY OF LOS ANGELES DO ORDAIN AS FOLLOWS:

SECTION 1. That the resolution hereinbefore referred to and hereinafter set forth, and the execution of the supplemental contract therein referred to, a certified copy of which supplemental contract is on file with the City Clerk of the City of Los Angeles, be, and they are hereby, fully approved, ratified, and confirmed, and the right to use the streets designated in said supplemental contract for the purposes set forth therein is hereby granted upon the terms and conditions therein set forth, the said resolution of said Board of Water and Power Commissioners being as follows, to wit:

RESOLUTION NO. 984

BE IT RESOLVED, By the Board of Water and Power Commissioners of the City of Los Angeles that said Board of Water and Power Commissioners, for and on behalf of, and in the name of, the City of Los Angeles and Department of Water and Power of the City of Los Angeles, enter into and execute a Supplemental Contract with the City of Pasadena, a municipal corporation, providing, among other things, that the energy to be generated at and transmitted from Boulder Dam by the City for the City of Pasadena under the terms and provisions of the contract between said cities, dated September 24, 1931, shall be generated and transmitted at a frequency of 60 cycles per second, and that said energy shall be delivered at Station "A" in the City of Los Angeles instead of at Station "B," all of the terms and conditions being set forth in the proposed form of said supplemental contract, a true copy of which is on file with the Secretary of this Board, and is hereby ordered to be spread upon the minutes of this meeting of this Board;

BE IT FURTHER RESOLVED, That the President or Vice-President and Secretary of this Board be, and they are hereby, authorized and directed to execute in duplicate said supplemental contract in said form in the name of the City of Los Angeles and in the name of the Department of Water and Power of the City of Los Angeles, to affix the official seal of the Department of Water and Power thereto, and to deliver said supplemental contract to said City of Pasadena upon the adoption of a resolution by the City Council of the City of Los Angeles ratifying and confirming the execution of said supplemental contract by the President or Vice-President of the Board of Water and Power Commissioners of the City of Los Angeles, attested by the Secretary of said Board;

BE IT FURTHER RESOLVED, That a certified copy of this resolution, together with a true copy of said supplemental contract now on file with the Secretary of this Board, and as executed aforesaid, be forthwith submitted to the City Council of the City of Los Angeles with the request that this resolution, said supplemental contract, and the execution thereof, as herein provided for, be approved.

SEC. 2. The City Clerk shall certify to the passage of this ordinance by a unanimous vote and cause the same to be published once in The Los Angeles Daily Journal.

[ITEM 49]

BOULDER CANYON PROJECT

CONTRACT FOR ELECTRICAL ENERGY

THE UNITED STATES

AND

STATE OF NEVADA

MAY 6, 1936

(12r–6052)

1. THIS CONTRACT, made this 6th day of May, nineteen hundred thirty-six, pursuant to the Act of Congress approved June 17, 1902 (32 Stat., 388), and

acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat., 1057), designated the Boulder Canyon project act, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by the contracting officer executing this contract, thereunto duly authorized by the Secretary of the Interior, hereinafter styled the Secretary, and STATE OF NEVADA, a body politic and corporate, and its Colorado River Commission (said Commission acting herein in the name of the State, but as principal in its own behalf as well as in behalf of the State; the term State as used in this contract being deemed to be both the State of Nevada and its Colorado River Commission), acting in pursuance of an act of the Legislature of the State of Nevada, entitled "An Act creating a commission to be known as the Colorado river commission of Nevada, defining its powers and duties, and making an appropriation for the expenses thereof, and repealing all acts and parts of acts in conflict with this act", approved March 20, 1935 (Chapter 71, Stats. of Nevada, 1935), both said State of Nevada and its Colorado River Commission being hereinafter collectively referred to as the State.

WITNESSETH:

EXPLANATORY RECITALS

2. WHEREAS, for the purpose of controlling the floods, improving navigation and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters for reclamation of public lands and other beneficial uses exclusively within the United States, and for the generation of electrical energy, the Secretary, subject to the terms of the Colorado River Compact, is authorized to construct, operate and maintain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon, adequate to create a storage reservoir of a capacity of not less than twenty million acre-feet of water; also to construct, equip, operate and maintain at or near said dam, or cause to be constructed, a complete plant and incidental structures suitable for the fullest economic development of electrical energy from the water discharged from said reservoir; and

3. WHEREAS, after full consideration of the advantages of both the Black Canyon and Boulder Canyon dam sites, the Secretary has determined upon Black Canyon as the site of the aforesaid dam, hereinafter styled the Boulder Dam, and has determined that the provisions for revenues made by this contract, together with other contracts in accordance with the provisions of the Boulder Canyon project act, are adequate in his judgment to insure payment of all expenses of operation and maintenance of the Boulder Dam and appurtenant works incurred by the United States, and the repayment within fifty (50) years from the date of completion of said works of all amounts advanced

to the Colorado River Dam fund under Subdivision (b) of Section two (2) of the Boulder Canyon project act, together with interest thereon made reimbursable under said Act; and

4. WHEREAS, the United States has entered into a contract of date April 26, 1930, with The City of Los Angeles hereinafter styled the City) and Southern California Edison Company Ltd., (hereinafter styled the Company) severally (both hereinafter referred to as the lessees) for the lease, and for the operation and maintenance of a government-built power plant to be constructed at Boulder Dam as aforesaid, together with the right to generate electrical energy as therein stated, a copy of which said lease-contract, as amended by supplemental contracts of dates May 28, 1930, and September 23, 1931, is attached hereto, marked Exhibit "A", and by this reference made a part hereof; and

5. WHEREAS, in said lease-contract of April 26, 1930, as amended, the Secretary has reserved the authority to, and in consideration of the execution thereof is authorized by each of the aforesaid lessees, severally, to contract with the other allottees named in the allocation set forth therein for the furnishing of energy to such allottees at transmission voltage in accordance with the allocation to each allottee, and the Secretary is therein granted by each lessee, severally, the power in accordance with the provisions thereof to enforce as against each lessee the rights to be acquired by such other allottees by contracts to be entered into with the United States, and in said lease-contract the City has agreed, among other things, to generate energy allocated to the State; and

6. WHEREAS, by virtue of the aforesaid act of the legislature of the State of Nevada, approved March 20, 1935, the Colorado River Commission of Nevada is empowered (1) to receive, protect, and safeguard and hold in trust for the State, all rights, interests or benefits in and to the power generated on the Colorado River, now held by or which may hereafter accrue to the State under and by virtue of any act of the congress of the United States or any compacts or treaties between states to which the State of Nevada may become a party, or otherwise; (2) to hold and administer all rights and benefits pertaining to the distribution of the said power for the State; and (3) to lease, sublease, let, sublet, contract or sell the said power as therein in said act stated; and

7. WHEREAS, a portion of the electrical energy to be generated at the Boulder Dam power plant has been reserved for and allocated to the State, and the State now desires to enter into a contract with the United States for the purchase of a part of the electrical energy reserved for and allocated to the State as aforesaid;

8. NOW, THEREFORE, in consideration of the mutual covenants herein contained the parties hereto agree as follows, to wit:

ALLOCATION OF ELECTRICAL ENERGY

9. The United States will cause electrical energy to be delivered to the State at Boulder Dam under and in pursuance of and subject to the provisions of the aforesaid lease-contract, attached hereto as Exhibit "A", for a period beginning when power is first made available to the State in accordance with the provisions of subparagraph (v) of subdivision F of this article, and ending fifty (50) years from the date at which energy is ready for delivery to the City, as announced by the Secretary, unless sooner terminated as herein elsewhere provided, in accordance with the following allocation, to wit:

Of Firm Energy, as defined in Article eleven (11) hereof:

A. To the State of Nevada, for use in Nevada, not exceeding eighteen per centum (18%) of said total firm energy, whereof four million (4,000,000) kilowatt-hours annually (June 1st to May 31st, inclusive) of said firm energy shall be taken and/or paid for by the State under the provisions of this contract.

B. To the State of Arizona, for use in Arizona, not exceeding eighteen per centum (18%) of said total firm energy.

Should either of the States not take its full eighteen per centum (18%) allocation within a period of twenty (20) years hereof, the other may then contract for the energy not so taken up to four per centum (4%) of the total firm energy, provided that the combined amount used by the two States shall not, at any time, exceed thirty-six per centum (36%) of such total firm energy.

C. To The Metropolitan Water District of Southern California, hereinafter styled the District, for pumping Colorado River water into and in its aqueduct for the use of such District within the following limits:

(1) Thirty-six per centum (36%) of said total firm energy, plus

(2) All secondary energy developed at the Boulder Dam power plant; plus

(3) So much of the firm energy allocated to the States, the City and the Company as may not be in use by them. Energy allocated to the States, but not in use by them, shall be released to the District by the two lessees equally (unless they agree upon a different ratio) as follows:

(a) If the District makes a firm contract with the Secretary for the balance of the lease period for part or all of such unused States energy (subject to the first right of the States thereto) such contract shall be made effective upon two years' written notice to the Secretary, and compensation to the lessees, respectively, for main transmission line property rendered idle;

(b) If the District does not so make a firm contract for such energy, then energy allocated to the States but not in use by them, shall be released to the District upon not less than fifteen (15) months' written notice to the Secretary and at such compensation as the District and such lessees, respectively, may agree upon, to cover cost and overhead of replacing energy which otherwise would have been received at the Pacific Coast end of the main transmission lines by the lessees, respectively. Such cost shall include interest on and depreciation and operation and maintenance of the plant capacity while required for the generation of such substitute energy; and also appropriate allowance for interest on and maintenance and depreciation of plant capacity rendered idle because of cessation of generation of such substitute energy until such time as such plant capacity would otherwise have been installed by the lessees, respectively, for their own requirements. If the District and the respective lessees fail to agree

on such compensation, such energy shall nevertheless be released to the District, and the disagreement shall be determined in accordance with Article twenty-two (22) (a) hereof. Such determination shall include allowance for items of cost and overhead as specified in this paragraph. Pending such determination, energy so released shall be paid for by the District at the rate for firm energy but the determination of compensation under Article twenty-two (22) (a) hereof shall not be controlled by such rate.

During any year beginning June first, the District shall not use any secondary energy nor any unused State energy, until it has first used subsequent to June first, next preceding, an amount of firm energy equivalent to one-twelfth of the amount of firm energy it is obligated to take and/or pay for annually multiplied by the number of months elapsed since June first next preceding.

(4) If, due to temporary deficiency in secondary energy regularly used by the District, substitute energy is requested by the District in excess of the energy made available under the foregoing subparagraph (3) (b) the City and/or the Company may release so much energy as may be practicable on the same terms as provided in subsection (3) (b) preceding.

D. To the municipalities of Anaheim, Beverly Hills, Burbank, Colton, Fullerton, Glendale, Newport Beach, Pasadena, Riverside, San Bernardino and Santa Ana (referred to herein as "the municipalities"), six per centum (6%) in all, to be allocated between them as they may agree; but if no agreement is submitted to the Secretary on or before November 16, 1931, the Secretary shall determine the allocation of each.

E. To the City of Los Angeles, thirteen per centum (13%).

F. To Southern California Edison Company, Ltd., The Southern Sierras Power Company, the San Diego Consolidated Gas and Electric Company and the Los Angeles Gas and Electric Corporation, referred to herein as the companies, nine per centum (9%) in all, division whereof between the companies shall be made according to mutual agreement among them, if possible. If no such agreement is submitted to the Secretary on or before November 16, 1931, the Secretary shall determine the allocation of each.

It is further agreed that:

(i) So much of the energy allocated to the States (thirty-six per centum (36%) of the firm energy) and not in use by them, or failing their use, by the District for the above purposes, shall be taken and paid for one-half by the City and one-half by the Company.

In addition, all firm energy allocated to the City (thirteen per centum (13%), shall be taken and paid for by the City).

(ii) All of the energy allocated to the municipalities may be contracted for in compliance with regulations of the Secretary, by any one or more of them, as they may agree, on or before November 16, 1931. So much of the energy allocated to the municipalities as is not so contracted for, or if contracted for, not used by them directly or under contract for municipal purposes and/or distribution to their inhabitants, shall be taken and paid for by the City.

(iii) So much of the energy allocated to The Southern Sierras Power Company, the San Diego Consolidated Gas and Electric Company, and the Los Angeles Gas and Electric Corporation as is not firmly contracted for by them, severally, in compliance with regulations of the Secretary on or before November 16, 1931, shall be taken and paid for by the Company.

(iv) If any allottee is permitted by the United States to divert water from the reservoir, at a time when the reservoir is not spilling, in consequence of which

the amount of energy, which would have been utilized is diminished, such diminution shall be debited to the allocation of firm energy herein made to such allottee; and charge for the energy equivalent of such diversion shall be made, and the amount of energy which the allottee shall otherwise be obligated to take and pay for hereunder shall be correspondingly reduced.

The reservoir shall be considered as spilling whenever water is being discharged in excess of the amount used for the generation of power, whether such waste occurs over the spillway or otherwise.

(v) Each of the States of Arizona and Nevada may, from time to time within the period of the aforesaid lease, contract for energy for use within such State in any amount until the total allocated, respectively, to each is in use as provided above; and may terminate such contract, or contracts, without prejudice to the right to again contract for such energy. All such contracts shall be executed with the Secretary. A contract requiring one thousand (1,000) horsepower (of maximum demand) or less may become effective or be terminated on six months' written notice of requirement or termination given the Director by the State; provided, that the notice given shall be two years if in the twelve months preceding said notice of demand the total increment to such State has exceeded five thousand (5000) horsepower of maximum demand or if in the twelve months preceding said notice of termination the decrement to such State has exceeded five thousand (5000) horsepower of maximum demand. In all cases the Director shall immediately transmit such notice to each lessee. Whenever the amount in use is in excess of five thosuand (5000) horsepower of maximum demand, the lessees, respectively, shall be compensated for property rendered idle by use of such excess in such amount as the Secretary shall determine to be equitable. Firm energy not contracted for by the States shall be available for use by the District as herein elsewhere provided, and if not in use by the States and/or the District, shall be taken and paid for equally by the two lessees.

Of Secondary Energy.

It is further agreed that the District shall have the right to purchase and use all secondary energy as provided in Article eleven (11) hereof for the purposes stated in the first paragraph of subdivision C of this Article. The City and the Company shall each have the right to purchase and use one-half of all secondary energy not used by the District. Any such energy not used by one lessee shall be available, for the time being, to the other. If secondary energy is not taken by the District, the City, and/or the Company then and in such event, the United States reserves the right to take, use and dispose of such energy, from time to time, as it sees fit, giving credit therefor as provided in Article twelve (12) of Exhibit "A" hereof.

Of Firm Energy Allocated to but not Used by the District.

It is further agreed that in the event the District shall fail for any reason to use all or any of the firm energy herein allotted to it for the only purpose for which said firm energy is allotted to it, that is, for pumping water into and in its aqueduct, then the Secretary shall dispose of such unused energy until required by the District for said purpose, crediting on the District's obligation the proceeds of such disposition as received; provided, however, that no disposition of such firm energy shall be made by the Secretary without first giving to a successor to the District which may undertake to build or maintain a Colorado River Aqueduct the opportunity to take said firm energy for the same purpose and under the same terms as those to which the District was obligated; and provided further that in the event no such successor takes said firm energy as provided above, then no disposition of such firm energy

shall be made by the Secretary without first giving to each lessee the opportunity to contract on equal terms and conditions, to be prescribed by the Secretary, for one-half of such energy, together with such portion of the remainder as the other lessee shall not elect to take.

Of Firm Energy not Hereinbefore Disposed of.

It is further agreed that the United States reserves the right, in case the dam which it erects provides a maximum water surface elevation in excess of one thousand two hundred twenty-two (1222) feet above sea level (U. S. Geological Survey Datum), and thereby increases the quantity of firm energy above the quantity of four billion two hundred forty million (4,240,000,000) kilowatt-hours allocated above, to dispose of such increase, but not to exceed ninety million (90,000,000) kilowatt-hours per year (June 1st to May 31st, inclusive), to any municipality or municipalities by firm contract executed with the Secretary on or before November 16, 1931. Such disposition shall be without prejudice to any provision of this contract or of the allocation above referred to. So much of such additional energy as is not so contracted for shall be taken and paid for by the City. Generation of such additional energy shall in any event be affected by the City.

USE OF ENERGY

10. It is agreed that the energy contracted for by the State shall be used by it (directly or under contract) within the State of Nevada.

FIRM AND SECONDARY ENERGY DEFINED

11. The amount of firm energy for the first year of operation (June 1 to May 31, inclusive), following the date of the completion of the dam as announced by the Secretary shall be defined as being four billion two hundred forty million (4,240,000,000) kilowatt-hours at transmission voltage. For every subsequent year the amount defined as firm energy shall be decreased by eight million seven hundred sixty thousand (8,760,000) kilowatt-hours from that of the previous year.

Nevertheless, if it be determined by the Secretary that the rate of decrease of kilowatt-hours per year as above stated, is not in accord with actual conditions, the Secretary reserves the right to fix a lesser rate for any year (June 1st to May 31st, inclusive), in advance.

If, by reason of international obligations arising through treaty or otherwise subsequent to the effective date of this contract, or by reason of interference with the program of construction and/or operation of the dam as provided for and contemplated by this contract, or by reason of other contingencies not now foreseen, the amount of firm energy available through the release of water from the Boulder Canyon Reservoir shall in fact be less than the amount of firm energy as above defined, then and in any such event the allocation of firm energy to the State shall be reduced in an amount corresponding to such

change. If for any reason the United States shall be wholly unable to fulfill its obligations hereunder in respect of the delivery of water, then the State may terminate this contract.

The term "secondary energy", wherever used herein, shall mean all electrical energy generated in one year (June 1 to May 31, inclusive), in excess of the amount of firm energy as hereinabove defined, available in such year.

DELIVERY OF ELECTRICAL ENERGY

12. (a) Energy will be delivered to the State at transmission voltage, to be determined by mutual agreement, in the form of three (3) phase alternating current at a frequency of sixty (60) cycles per second.

(b) Energy shall be ready for delivery to the State as provided in Article nine (9) hereof, and to all other allottees as specifically provided in Exhibit "A" hereof.

(c) Upon written notification from the Secretary that generating equipment is ready for operation by it and water is available for generating energy therefrom, each lessee will be required to assume the operation and maintenance of its respective portion of the power plant, and thereafter the State shall not look to the United States for compensation for injury and/or damages of any kind which may in any manner arise out of the operation and maintenance of the portion of such plant leased to the City and/or the Company.

CHARGES TO BE PAID THE UNITED STATES

13. In consideration of this contract, the State agrees:

(1) To pay the United States for the use of falling water for generation of energy for the State as follows: one and sixty-three hundredths mills (0.00163) per kilowatt-hour (delivered at transmission voltage) for all firm energy contracted for by it;

(2) To pay the United States, for credit to the City, on account of use of the leased equipment as herein elsewhere provided; and

(3) To pay the United States, for credit to the City, on account of maintenance of said equipment in first class operating condition, including repairs to and replacements of machinery; provided, however, that, if the expenditures for replacements shall exceed at any time the sum accumulated by the City as a depreciation reserve in accordance with rules and regulations prescribed by the Secretary, pursuant to the Boulder Canyon project act, less all amounts previously withdrawn for replacements, then the rates aforesaid shall be readjusted as hereinafter provided so as to reimburse the City for such excess expenditures within the term of this contract.

At the end of fifteen (15) years from the date of execution of said Exhibit "A" (April 26, 1930), and every ten (10) years thereafter, the above rates of payment for energy shall be readjusted upon demand of either party hereto, either upward or downward as to price, as the Secretary may find to be justified by competitive conditions at distributing points or competitive centers.

The rate for falling water for generation of firm energy which shall be uniform for both lessees and the State provided for by any such readjustment shall be arrived at by deducting from the price of electrical energy justified by competitive conditions at distributing points or competitive centers—(1) all fixed and operating costs of transmission to such points—(2) all fixed and operating costs of such portion of the power plant machinery as is to be operated and maintained by the several lessees, including the cost of repairs and replacements, together with such readjustment as to replacements as is provided for in paragraph 3 in this Article; it being understood that such readjusted rates shall under no circumstances exceed the value of said energy, based upon competitive conditions at distributing points or competitive centers.

The charges agreed to be paid by the State to the United States, for credit to the City as generating agency, in this Article, shall be such proportion of the cost incurred by such generating agency as the State and the City may agree, or failing such agreement, as the Secretary may determine.

The term "cost", as used with reference to generating energy, shall include all the costs of machinery required to be installed in consequence of the execution of this contract, unless such machinery is to be used partially for the benefit of the lessee generating energy for the State, in which event the charge made by the United States for compensation for the use thereof shall be adjusted between the State and such lessee as they may agree or if they fail to agree then by the Secretary; a proper proportionate allowance for amortization of the cost of machinery and equipment as provided in Paragraph a of Article 9 of Exhibit "A" hereof, and interest on the prepayments thereof made by the City; a proper proportionate part of any annuity set-up in accordance with regulations of the Secretary provided for in Subdivision 3 of Article sixteen (16) of Exhibit "A" hereof, and any additional expenditures made by the City with the approval of the Secretary, for the purpose of meeting the obligation of the City to make replacements; and a proper proportionate part of the actual outlay of the City for operating such machinery and equipment and keeping the same in repair, including reasonable overhead charges. The extent of the allowance for the several items in the event of disagreement between the City and State, and the system of accounting therefor, shall be prescribed by the Secretary under uniform regulations as required by Section 6 of the Boulder Canyon project act.

MONTHLY PAYMENTS AND PENALTIES

14. The State shall pay monthly for energy in accordance with the rates established or provided for herein, and for the generation thereof as provided in Article thirteen (13) hereof.

When energy taken in any month is not in excess of one-twelfth (1/12) of the minimum annual obligation, bill for such month shall be computed at the

rate for firm energy in effect when such energy was taken on the basis of the actual amount of energy used during such month, provided, however, that the bill for the month of May of each year shall not be less than the difference between the minimum annual payment, as provided in Article fifteen (15) hereof, and the sum of the amounts charged for firm energy during the preceding eleven months. The United States will submit bills to the State by the fifth of each month immediately following the month during which the energy is generated, and payments shall be due on the first day of the month immediately succeeding. If such charges are not paid when due, a penalty of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional penalty of one per centum (1%) of the amount unpaid shall be added on the first day of each calendar month thereafter during such delinquency.

The monthly charge for generation of such energy to be credited to the generating agency shall be in such amount as may be determined in accordance with Article thirteen (13) hereof.

MINIMUM ANNUAL PAYMENT

15. The minimum quantity of firm energy which the State shall take and/or pay for each year (June 1st to May 31st, inclusive), under the terms of this contract, and after the same is ready for delivery to the State, as provided in subdivision (a) of Article twelve (12) hereof, shall be four million (4,000,000) kilowatt-hours. The total payments made by the State for firm energy available in any year (June 1st to May 31st, inclusive), whether any energy is taken by it, or not, exclusive of its payments for credit to the generating agency, shall be not less than the number of kilowatt-hours of firm energy which the State is obligated to take and/or pay for during said year, multiplied by one and sixty-three hundredths mills ($0.00163), or multiplied by the adjusted rate of payment for firm energy in case the said rate is adjusted as provided in Article thirteen (13) hereof. For a fractional year at the beginning or end of the contract period, the minimum annual payment for firm energy shall be proportionately adjusted in the ratio that the number of days water is available for generation of energy in such fractional year bears to three hundred sixty-five (365). Provided, that the minimum annual payment shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article eighteen (18) hereof.

The minimum annual payments made by the State for generation of such energy, to be credited to the generating agency, shall be determined in accordance with Article thirteen (13) hereof.

NO ENERGY TO BE DELIVERED WITHOUT PAYMENT

16. Unless the written consent of the Secretary be first obtained, no electrical energy shall be generated for, or delivered to, the State if it shall be in

arrears for more than twelve (12) months in the payment of any charge and/or penalty due or to become due the United States hereunder, whether for its own use or for credit to the generating agency.

CONTRACT MAY BE TERMINATED IN CASE OF BREACH

17. If the State shall be in arrears for more than twelve (12) months in the payment of any charge and/or penalty due or to become due to the United States hereunder, (and shall not have obtained an extension of time for payment thereof, or, if such extension be obtained, has not made such payment within the time as extended), then the Secretary reserves the right forthwith upon written notice to the State to terminate this contract; provided however, that the State shall have the right at any time within ten (10) years from date of the first of the defaults or breaches for which the contract is terminated, to become reinstated hereunder by payment to the United States of all arrearages and penalties, if any, together with any and all loss incurred by the United States by reason of such termination, and compensation to the lessees and/or allottees for equipment rendered idle by such reinstatement. In case of disagreement or dispute as to any of the items so to be paid the same shall be determined as provided in Article twenty-two (22) hereof. Nothing contained in this contract shall relieve the State from the obligation to make the United States whole, for the period of this contract, for all loss and/or damage occasioned by the failure of the State to take and/or pay for energy as provided in this contract.

DELIVERY OF WATER FOR GENERATION OF POWER

18. The United States will operate and maintain the Boulder Dam, Boulder Canyon Reservoir, pressure tunnels, penstocks to but not inclusive of the shut-off valves at the inlets to the turbine casings, and outlet works, and will deliver water continuously to each lessee in the quantity, in the manner, and at the times necessary for the generation of the energy which each of said lessees has the right and/or obligation to generate under this contract in accordance with the load requirements of each of said lessees, and of allottees for which the respective lessees are generating agencies; provided, however, that the aforesaid dam and reservoir will be operated and used: First, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of perfected rights in pursuance of Article VIII of the Colorado River Compact; and, third, for power, and this contract is made upon the express condition, and with the express covenant, that the several rights of the lessees and/or the State to the waters of the Colorado River, or its tributaries, are subject to, and controlled by, the Colorado River Compact. The United States reserves the right temporarily to discontinue or reduce the

delivery of water for the generation of energy at any time for the purpose of maintenance, repairs and/or replacements, or installation of equipment, and for investigations and inspections necessary thereto; provided, however, that the United States shall, except in cases of emergency, give to the lessees reasonable notice in advance of such temporary discontinuance or reduction, and that the United States shall make such inspections and perform such maintenance and repair work after consultation with the lessees at such times and in such manner as will cause the least inconvenience to the lessees, and shall prosecute such work with diligence, and, without unnecessary delay, will resume delivery of water so discontinued or reduced. Should the delivery of water be discontinued or reduced below the amount required for the normal generation of firm energy for the payment of which the State has hereby obligated itself, the total number of hours of such discontinuance or reduction in any year shall be determined by taking the sum of the number of hours during which the delivery of water is totally discontinued, and the product of the number of hours during which the delivery of water is partially reduced and the percentage of said partial reduction below the actual quantity of water required by the lessees, severally, for the normal generation of firm energy. Total or partial reductions in delivery of water which do not reduce the power output below the amount required at the time by the City for the normal generation of firm energy, will not be considered in determining the total hours of discontinuance in any year. The minimum annual payment specified in Article fifteen (15) hereof shall be reduced by the ratio that the total number of hours of such discontinuance bears to eight thousand seven hundred sixty (8,760). In no event shall any liability accrue against the United States, its officers, agents and/or employees, for any damage, direct or indirect, arising on account of drought, hostile diversion, Act of God, or of the public enemy, or other similar cause; nevertheless interruptions in delivery of water occasioned by such causes shall be governed as hereinabove provided in this article.

MEASUREMENT OF ENERGY

19. All energy delivered to the State will be measured at generator and/or transmission voltage at the option of the Secretary, and suitable metering equipment will be provided and installed by the United States for this purpose. Suitable correction shall be made in the amounts of energy as measured at generator voltage to cover step-up transformer losses and energy required for operation of station auxiliaries, in determining the amounts of energy delivered at transmission voltage as provided in this contract. The said meter equipment shall be maintained by and at the expense of the respective lessees. Meters shall be tested at any reasonable time upon the request of either the United States or a lessee, and in any event they shall be tested at least once each year. If the test discloses that the error of any meter exceeds one per centum (1%), such

meter shall be adjusted so that the error does not exceed one-half of one per centum (½%). Meter equipment shall be tested by means of suitable testing equipment which will be provided by the United States and which shall be calibrated by the United States Bureau of Standards. Meters shall be kept sealed, and the seals shall be broken only in the presence of representatives of both the United States and the lessees respectively and likewise all test of meter equipment shall be conducted only when representatives of both the United States and the respective lessees are present.

INSPECTION BY THE UNITED STATES

20. The Secretary or his representatives shall have free access at all reasonable times to the books and records of the State relating to the transmission, distribution and disposal of electrical energy, with the right at any time during office hours to make copies of or from the same.

RENEWAL OF CONTRACT

21. The holder of any contract for electrical energy, including the State, not in default thereunder, shall be entitled to a renewal thereof upon such terms and conditions as may be authorized or required under the then existing laws and regulations, unless the property of such holder dependent for its usefulness on a continuation of the contract be purchased or acquired and such contractor be compensated for damages to its property, used and useful in the transmission and distribution of such electrical energy and not taken, resulting from the termination of the supply.

DISPUTES AND DISAGREEMENTS

22 (a) Disputes or disagreements arising under this contract between the State and either lessee or other allottee shall be arbitrated by three (3) arbitrators, but only in case where it is not provided herein that the determination shall be made by the Secretary. The State shall name one (1) arbitrator, and the other disputant shall name one (1). These two (2) shall name the third. If either disputant has notified the other that arbitration is demanded and that it has named an arbitrator, and if thereafter the other disputant fails for fifteen (15) days to name an arbitrator, the Secretary, if requested by either disputant shall name such arbitrator, who shall proceed as though named by the disputant. The two (2) arbitrators so named shall meet within five (5) days after appointment of the second, and name the third. If they fail to do so, the Secretary will, on request by either disputant or arbitrator, name the third. A decision by any two (2) of the three (3) arbitrators shall be binding on the disputants and enforceable by court proceedings, or by the Secretary in his

discretion. Arbitration as herein provided, or the failure of the arbitrators to render a decision within six (6) months of appointment of the third arbitrator, shall be a condition precedent to suit by either disputant against the other upon the matter in dispute.

(b) Disputes or disagreements between the United States and the State as to the interpretation or performance of the provisions of this contract shall be determined either by arbitration or court proceedings, the Secretary of the Interior being authorized to act for the United States in such proceedings. Whenever a controversy arises out of this contract, and the disputants agree to submit the matter to arbitration, the State shall name one (1) arbitrator and the Secretary shall name one (1) arbitrator, and the two (2) arbitrators thus chosen shall elect three (3) other arbitrators, but in the event of their failure to name all or any of the three (3) arbitrators within five (5) days after their first meeting, such arbitrators, not so elected, shall be named by the Senior Judge of the United States Circuit Court of Appeals for the Ninth Circuit. The decision of any three (3) of such arbitrators shall be a valid and binding award of the arbitrators.

USE OF PUBLIC AND RESERVED LANDS OF THE UNITED STATES

23. The use is authorized of such public and reserved lands of the United States as may be necessary or convenient for the construction, operation and maintenance of main transmission lines, to transmit electrical energy generated at Boulder Dam.

PRIORITY OF CLAIMS OF THE UNITED STATES

24. Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured.

INTEREST IN CONTRACT NOT TRANSFERABLE

25. No interest in this contract is transferable by the State to any other party, and any such attempted transfer shall cause this contract to become subject to annulment at the option of the United States.

RULES AND REGULATIONS

26. This contract is subject to such rules and regulations conforming to the Boulder Canyon project act as the Secretary may from time to time promulgate; provided, however, that no right of the State hereunder shall be impaired or obligation of the State hereunder shall be extended thereby; and provided further that opportunity for hearing shall be afforded the State by the Secretary prior to promulgation thereof.

CONTRACT SUBJECT TO COLORADO RIVER COMPACT

27. This contract is made upon the express condition and with the express understanding that all rights hereunder shall be subject to and controlled by the Colorado River Compact, being the compact or agreement signed at Santa Fe, New Mexico, November 24, 1922, pursuant to Act of Congress approved August 19, 1921, entitled "An Act to permit a compact or agreement between the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming, respecting the disposition and apportionment of the waters of the Colorado River, and for other purposes," which Compact was approved in Section 13 (a) of the Boulder Canyon project act.

CONTINGENT UPON APPROPRIATIONS

28. This contract is subject to appropriations being made by Congress from year to year of moneys sufficient to do the work provided for herein, and to there being sufficient moneys available in the Colorado River Dam fund to permit allotments to be made for the performance of such work. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient moneys not being so appropriated or on account of there not being sufficient moneys in the Colorado River Dam fund to permit of said allotments.

TITLE TO REMAIN IN UNITED STATES

29. As provided by Section six (6) of the Boulder Canyon project act, the title to Boulder Dam, reservoir, plant and incidental works, shall forever remain in the United States.

REMEDIES UNDER CONTRACT NOT EXCLUSIVE

30. Nothing contained in this contract shall be construed as in any manner abridging, limiting or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any other provision hereof or of a susequent breach of such provision.

OFFICIALS NOT TO BENEFIT

31. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By R. F. WALTER,
Chief Engineer, Bureau of Reclamation.
(May 16, 1936)

STATE OF NEVADA, acting by and through its
Colorado River Commission.
By RICHARD KIRMAN, *Chairman.*

Attest:
ALFRED MERRITT SMITH, *Secretary.*

COLORADO RIVER COMMISSION OF NEVADA,
By RICHARD KIRMAN, *Chairman.*

Attest:
ALFRED MERRITT SMITH, *Secretary.*

Ratified and approved this 6th day of May, 1936.
RICHARD KIRMAN, *Governor of the State of Nevada.*
[THE GREAT SEAL OF THE STATE OF NEVADA]

Attest:
W. G. GREATHOUSE, *Secretary of State.*

[ITEM 50]

BOULDER CANYON PROJECT

CONTRACT FOR ELECTRICAL ENERGY

THE UNITED STATES

AND

STATE OF NEVADA

AUGUST 10, 1936

(I2r–6392)

1. THIS CONTRACT, made this 10th day of August, nineteen hundred thirty-six, pursuant to the Act of Congress approved June 17, 1902 (32 Stat., 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and par-

ticularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat., 1057), designated the Boulder Canyon project act, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by the contracting officer executing this contract, thereunto duly authorized by the Secretary of the Interior, hereinafter styled the Secretary, and STATE OF NEVADA, a body politic and corporate, and its Colorado River Commission (said Commission acting herein in the name of the State, but as principal in its own behalf as well as in behalf of the State; the term State as used in this contract being deemed to be both the State of Nevada and its Colorado River Commission), acting in pursuance of an act of the Legislature of the State of Nevada, entitled "An Act creating a commission to be known as the Colorado river commission of Nevada, defining its powers and duties, and making an appropriation for the expenses thereof, and repealing all acts and parts of acts in conflict with this act" approved March 20, 1935 (Chapter 71, Stats. of Nevada, 1935), both said State of Nevada and its Colorado River Commission being hereinafter collectively referred to as the State:

WITNESSETH:

EXPLANATORY RECITALS

2. WHEREAS, for the purpose of controlling the floods, improving navigation and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters for reclamation of public lands and other beneficial uses exclusively within the United States, and for the generation of electrical energy, the Secretary, subject to the terms of the Colorado River Compact, is authorized to construct, operate and maintain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon, adequate to create a storage reservoir of a capacity of not less than twenty million acre-feet of water; also to construct, equip, operate and maintain at or near said dam, or cause to be constructed, a complete plant and incidental structures suitable for the fullest economic development of electrical energy from the water discharged from said reservoir; and

3. WHEREAS, after full consideration of the advantages of both the Black Canyon and Boulder Canyon dam sites, the Secretary determined upon Black Canyon as the site of the aforesaid dam, hereinafter styled the Boulder Dam, and has caused said dam to be constructed so as to create as of the date of completion thereof a storage reservoir, hereinafter styled Lake Mead, of a capacity of approximately thirty million five hundred thousand acre-feet of water, and is now causing to be constructed and equipped at or near said dam, a complete plant and incidental structures for the development of electrical energy from the water discharged from Lake Mead; and

4. WHEREAS, the United States has entered into a several contract with

The City of Los Angeles (and its Department of Water and Power), hereinafter referred to as the City, and Southern California Edison Company Ltd., of date April 26, 1930, for the lease, and for the operation and maintenance of the power plant to be constructed at Boulder Dam as aforesaid, together with the right to generate electrical energy as therein stated, which said contract was amended by supplemental contracts of dates May 28, 1930, and September 23, 1931; and

5. WHEREAS, it appears that at least two of the generating units to be leased to the City under the aforesaid contract of April 26, 1930, as amended, will be ready for operation, and that it is probable that water sufficient for the operation thereof will also be available, in advance of the time when the Secretary will be able to make the declaration contemplated by Article (11) (a) of said contract of April 26, 1930, as amended; and

6. WHEREAS, under date of October 22nd, 1934, the United States issued its permit and license to the City, a copy of which said permit and license is attached hereto, marked Exhibit "A," and by this reference made a part hereof, for the use of appropriate plant facilities and such units of the machinery and equipment enumerated in Article nine (9) of said Exhibit "A" as are ready for operation, at any time during the term of said permit and license, for the period from the time when water for the generation of electrical energy is first available and the said machinery and equipment are installed, as conclusively determined by the Secretary, to the time when, as conclusively determined by the Secretary, electrical energy may be generated under conditions contemplated by the aforesaid contract of April 26, 1930, as amended, and particularly under the provisions of Article eleven (11) (a) thereof; and

7. WHEREAS, in said Exhibit "A" the United States has reserved the right, under the conditions therein stated, to make a contract, or contracts, with the State of Nevada and/or the State of Arizona for electrical energy for use within such states, respectively, during the period of said permit and license, in any amount not exceeding eighteen per centum (18%), to each of said states, of the electrical energy to be generated by the City under the terms of said permit and license, and the State now desires to contract with the United States for the delivery to the State of a portion of the electrical energy to be thus generated by the City;

8. NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to wit:

OPERATION AND MAINTENANCE OF BOULDER DAM AND LAKE MEAD

9. The United States will for the period of this contract operate and maintain Boulder Dam, Lake Mead, the pressure tunnels, the penstocks to but not inclusive of the shut-off valves at the inlets to the turbine casings, and the outlet works, and shall have full control of all water passing the dam for any

and all purposes. The State and/or the City shall not during the period hereof have the right to demand the release of any quantities of water hereunder for the generation of electrical energy, or otherwise, but shall have the right to the use of waters released from Lake Mead for the generation of electrical energy only as, if and when, as conclusively determined by the Secretary, water is available for the use of the State and/or the City for such purpose. It is understood and agreed by the State that Boulder Dam and Lake Mead will be operated and used: First, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of perfected rights in pursuance of Article VIII of the Colorado River Compact; and, third, for power, and this contract is made upon the express condition, and with the express covenant, that the rights of the City and/or the State to waters of the Colorado River, or its tributaries shall be subject to, and controlled by the Colorado River Compact.

INTERRUPTIONS IN DELIVERY OF WATER

10. In no event shall any liability accrue against the United States, its officers, agents or employees, for any damage, direct or indirect, arising on account of the failure to deliver water hereunder, whether such failure is due to temporary discontinuance or reduction for the purpose of maintenance, repairs, replacements or any other causes whatsoever.

OPERATION AND MAINTENANCE OF POWER PLANT

11. Upon written notification from the Secretary that generating equipment is ready for operation by it, under the aforesaid permit and license, and that water is available for generating energy therefrom, the City may assume operation and maintenance of that portion of the generating machinery and incidental works and structures which is ready for operation, and if from time to time, within the period of this contract, additional generating equipment shall be ready for operation, then upon written notification from the Secretary that such additional generating equipment is ready for operation by it under said permit and license, the City may assume operation and maintenance of such additional generating equipment, and thereafter the City may save the United States, its officers, agents and employees harmless as to injury and damage to persons and property which may in any manner arise out of the operation and maintenance of the portion of such generating machinery and incidental works and structures, the operation of which has been so assumed by the City. Machinery and equipment, the operation of which is assumed by the City under the aforesaid permit and license, may be maintained in first class operating condition at the cost and expense of the City, under the supervision of a Director appointed by the Secretary. The Director, among other powers, may

enforce rules and regulations promulgated by the Secretary in accordance with the Boulder Canyon project act, respecting operation and maintenance of the power plant and appurtenant works and structures, pursuant to Article twenty-four (24) of the aforesaid permit and license.

KEEPING PROPERTY IN REPAIR

12. The City may promptly make any and all repairs to and replacements of property (except those occasioned by Act of God) in its control pursuant to the provisions of Exhibit "A" hereof, which, in the opinion of the Secretary, are deemed necessary for the proper operation and maintenance of any such property. In case of neglect or failure of the City to make such repairs, the United States may, at its option, cause such repairs to be made and charge the actual cost thereof, plus fifteen per centum (15%) to cover overhead and general expense, to the City, together with interest at the rate of four per centum (4%) per annum from the date of the expenditure to the date of payment. The cost to the United States, with overhead and interest as stated above, of making any of the repairs contemplated by Exhibit "A" hereof, may be repaid by the City on June first immediately succeeding the date of completion of such repairs, or at such other time as may be determined upon by the City and the Secretary.

ALLOCATION OF ELECTRICAL ENERGY

13. The United States will cause electrical energy to be delivered to the State at Boulder Dam under and in pursuance of and subject to the provisions of the aforesaid permit and license, attached hereto as Exhibit "A," for the period from the time when water for the generation of electrical energy is first available and machinery and equipment are installed, as conclusively determined by the Secretary, to the time when, as also conclusively determined by the Secretary, electrical energy may be generated under conditions contemplated by the aforesaid contract of April 26, 1930, as amended, and particularly under the provisions of Article eleven (11) (a) thereof, in any amount required by the State, not exceeding eighteen per centum (18%) of the electrical energy which the City elects to and does generate under the terms and conditions of Exhibit "A" hereof, but the generation and furnishing of electrical energy to the State hereunder shall be upon the same terms and conditions with respect to notice, payment and all other matters, as the terms and conditions relating to the generation for and delivery to the State of firm energy as set forth and contained in the aforesaid contract of April 26, 1930, as amended, excepting only that the basis of cost to the State for falling water shall be the same as is applicable to the City under the terms of Exhibit "A" hereof.

DELIVERY OF ELECTRICAL ENERGY

14. (a) Energy will be delivered to the State at transmission voltage, to be determined by mutual agreement, in the form of three (3) phase alternating current at a frequency of sixty (60) cycles per second.

(b) After the City has assumed the operation and maintenance of generating equipment and structures to be used by it under the provisions of Exhibit "A" hereof the State shall not look to the United States for compensation for injury and/or damages of any kind which may in any manner arise out of the operation and maintenance of such generating equipment and structures.

USE OF ELECTRICAL ENERGY

15. It is agreed that the electrical energy contracted for by the State hereunder shall be used by it (directly or under contract) within the State of Nevada.

CHARGES TO BE PAID TO THE UNITED STATES

16. (a) In consideration of this contract, the State agrees:

(1) To pay the United States for the use of falling water for generation of energy for the State as follows: one-half mill (0.0005) per kilowatt-hour (delivered at transmission voltage) for all electrical energy delivered to and taken by the State hereunder;

(2) To pay the United States, for credit to the City, on account of operation of the leased equipment as herein elsewhere provided; and

(3) To pay the United States, for credit to the City, on account of maintenance of said equipment in first class operating condition, including repairs to and replacements of machinery.

(b) The charges agreed to be paid by the State to the United States, for credit to the City as generating agency, in this Article, shall be such proportion of the cost incurred by such generating agency as the amount of energy received by the State bears to the total amount of energy generated by the City.

(c) The term "cost", as used with reference to generating energy, shall include the proportionate part as defined in subparagraph (b) of this article, of any expenditures made by the City with the approval of the Secretary, for the purpose of meeting the obligation of the City to make replacements, and the proportionate part as defined in subparagraph (b) of this article, of the actual outlay of the City for operating such machinery and equipment and keeping the same in repair, including reasonable overhead charges. The extent of the allowance for the foregoing items in the event of disagreement between the City and State, and the system of accounting therefor, shall be prescribed by the Secretary under uniform regulations as required by Section 6 of the Boulder Canyon project act.

MONTHLY PAYMENTS AND PENALTIES

17. (a) The State shall pay monthly for energy received in accordance with the rates established or provided for herein, and for the generation thereof, as provided in Article sixteen (16) hereof.

(b) The United States will submit bills to the State by the fifth of each month immediately following the month during which the energy is received and payments shall be due on the first day of the month immediately succeeding. If such charges are not paid when due, a penalty of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional penalty of one per centum (1%) of the amount unpaid shall be added on the first day of each calendar month during such delinquency.

(c) The monthly charge for generation of such energy to be credited to the generating agency shall be in such amount as may be determined in accordance with Article sixteen (16) hereof.

MEASUREMENT OF ENERGY

18. All energy delivered to the State will be measured at generator and/or transmission voltage at the option of the Secretary, and suitable metering equipment will be provided and installed by the United States for this purpose. Suitable correction shall be made in the amounts of energy as measured at generator voltage to cover step-up transformer losses and energy required for operation of station auxiliaries, in determining the amounts of energy delivered at transmission voltage as provided in this contract. The said meter equipment shall be maintained by and at the expense of the City. Meters shall be tested at any reasonable time upon the request of either the United States or the City, or State, and in any event they shall be tested at least once each year. If the test discloses that the error of any meter exceeds one per centum (1%), such meter shall be adjusted so that the error does not exceed on-half of one per centum (½%). Meter equipment shall be tested by means of suitable testing equipment which will be provided by the United States, and which shall be calibrated by the United States Bureau of Standards. Meters shall be kept sealed, and the seals shall be broken only in the presence of representatives of both the United States and the City and likewise all test of meter equipment shall be conducted only when representatives of both the United States and the City are present.

INSPECTION BY THE UNITED STATES

19. The Secretary or his representatives shall have free access at all reasonable times to the books and records of the State relating to the transmission, distribution and disposal of electrical energy, with the right at any time during office hours to make copies of or from the same.

DISPUTES AND DISAGREEMENTS

20. (a) Disputes or disagreements arising under this contract between the State and the City shall be arbitrated by three (3) arbitrators, but only in case where it is not provided herein that the determination shall be made by the Secretary. The State shall name one (1) arbitrator, and the other disputant shall name one (1). These two (2) shall name the third. If either disputant has notified the other that arbitration is demanded and that it has named an arbitrator, and if thereafter the other disputant fails for fifteen (15) days to name an arbitrator, the Secretary, if requested by either disputant, shall name such arbitrator, who shall proceed as though named by the disputant. The two (2) arbitrators so named shall meet within five (5) days after appointment of the second, and name the third. If they fail to do so, the Secretary will, on request by either disputant or arbitrator, name the third. A decision by any two (2) of the three (3) arbitrators shall be binding on the disputants and enforceable by court proceedings, or by the Secretary in his discretion. Arbitration as herein provided, or the failure of the arbitrators to render a decision within six (6) months of appointment of the third arbitrator, shall be a condition precedent to suit by either disputant against the other upon the matter in dispute.

(b) Disputes or disagreements between the United States and the State as to the interpretation or performance of the provisions of this contract shall be determined either by arbitration or court proceedings, the Secretary of the Interior being authorized to act for the United States in such proceedings. Whenever a controversy arises out of this contract, and the disputants agree to submit the matter to arbitration, the State shall name one (1) arbitrator and the Secretary shall name one (1) arbitrator, and the two (2) arbitrators thus chosen shall elect three (3) other arbitrators, but in the event of their failure to name all or any of the three (3) arbitrators within five (5) days after their first meeting, such arbitrators, not so elected, shall be named by the Senior Judge of the United States Circuit Court of Appeals for the Ninth Circuit. The decision of any three (3) of such arbitrators shall be a valid and binding award of the arbitrators.

USE OF PUBLIC AND RESERVED LANDS OF THE UNITED STATES

21. The use is authorized of such public and reserved lands of the United States as may be necessary or convenient for the construction, operation and maintenance of main transmission lines, to transmit electrical energy generated at Boulder Dam.

PRIORITY OF CLAIMS OF THE UNITED STATES

22. Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured.

INTEREST IN CONTRACT NOT TRANSFERABLE

23. No interest in this contract is transferable by the State to any other party, and any such attempted transfer shall cause this contract to become subject to annulment at the option of the United States.

RULES AND REGULATIONS

24. This contract is subject to such rules and regulations conforming to the Boulder Canyon project act as the Secretary may from time to time promulgate; provided, however, that no right of the State hereunder shall be impaired or obligation of the State hereunder shall be extended thereby; and provided further that opportunity for hearing shall be afforded the State by the Secretary prior to promulgation thereof.

CONTRACT SUBJECT TO COLORADO RIVER COMPACT

25. This contract is made upon the express condition and with the express understanding that all rights hereunder shall be subject to and controlled by the Colorado River Compact, being the compact or agreement signed at Santa Fe, New Mexico, November 24, 1922, pursuant to Act of Congress approved August 19, 1921, entitled "An Act to permit a compact or agreement between the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming, respecting the disposition and apportionment of the waters of the Colorado River, and for other purposes," which Compact was approved in Section 13 (a) of the Boulder Canyon project act.

CONTINGENT UPON APPROPRIATIONS

26. This contract is subject to appropriations being made by Congress from year to year of moneys sufficient to do the work contemplated herein and to there being sufficient moneys available in the Colorado River Dam fund to permit allotments to be made for the performance of such work. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient moneys not being so appropriated nor on account of there not being sufficient moneys in the Colorado River Dam fund to permit of said allotments.

TITLE TO REMAIN IN UNITED STATES

27. As provided by Section six (6) of the Boulder Canyon project act, the title to Boulder Dam, Lake Mead, the power plant and incidental works, shall forever remain in the United States.

REMEDIES UNDER CONTRACT NOT EXCLUSIVE

28. Nothing contained in this contract shall be construed as in any manner abridging, limiting or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any other provision hereof or of a subsequent breach of such provision.

OFFICIALS NOT TO BENEFIT

29. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By S. O. HARPER,
Acting Chief Engineer, Bureau of Reclamation.

STATE OF NEVADA, acting by and through its Colorado River Commission.
By RICHARD KIRMAN, *Chairman.*

Attest:
ALFRED MERRITT SMITH, *Secretary.*

COLORADO RIVER COMMISSION OF NEVADA,
By RICHARD KIRMAN, *Chairman.*

Attest:
ALFRED MERRITT SMITH, *Secretary.*

Ratified and approved this 10th day of August, 1936.
RICHARD KIRMAN. *Governor of the State of Nevada.*
[GREAT SEAL OF THE STATE OF NEVADA]

Attest:
W. G. GREATHOUSE, *Secretary of State.*
By MURIEL LITTLEFIELD, *Deputy.*

[ITEM 51]

BOULDER CANYON PROJECT

SUPPLEMENTAL CONTRACT FOR GENERATION AND TRANSMISSION OF POWER

THE CITY OF LOS ANGELES

AND

THE CITY OF BURBANK

SEPTEMBER 15, 1936

1. This Supplemental Contract, made this 15 day of September, 1936, between the City of Los Angeles, a municipal corporation, and Department of Water and Power of the City of Los Angeles, acting for this purpose by its Board of Water and Power Commissioners, hereinafter styled the "City", and the City of Burbank, hereinafter styled the "Municipality":

WITNESSETH THAT:

EXPLANATORY RECITALS

2. WHEREAS, under date of September 24, 1931, the parties hereto entered into a contract whereby, among other things, the City agreed, under the terms and conditions therein set forth, to generate certain electric energy contracted for by the Municipality by contract with the United States of America, and to transmit and deliver the same, less losses in transmission and in transformations, to which contract dated September 24, 1931, and to the recitals contained therein and agreements attached thereto, reference is hereby made; and

3. WHEREAS, the generating machinery and equipment (now being installed at Boulder Dam by the Government of the United States) is designed to operate at a frequency of sixty (60) cycles per second; and

4. WHEREAS, the transmission and delivery by the City of said electric energy contracted for by the Municipality at a frequency of sixty (60) cycles per second will necessitate changes and adjustments in portions of the electric system of the Municipality and in portions of the electric equipment of consumers supplied by the Municipality, and the Municipality claims that it will suffer substantial damage by reason thereof (although the City does not concede that any such damage will in effect be suffered, but, on the contrary, maintains that such generation, transmission, and delivery at a frequency of sixty (60) cycles per second, while involving substantial expenditures, will make possible both immediate and future economies more than offsetting such expense); and

5. WHEREAS, the City, pursuant to the provisions of Section (22) of said contract dated September 24, 1931, is willing to transmit and deliver the energy contracted for by the Municipality from the City's Central Receiving Station "B" over its local high voltage transmission and distribution system to Receiving Station "E" to be constructed by the City near the boundary of the Municipality, and to waive a large portion of the compensation which the Municipality is required under the provisions of Section (22) to pay to the City for the said use of the City's high voltage transmission and distribution system; and

6. WHEREAS, the Municipality is willing to receive delivery of said electrical energy or an equivalent amount thereof, less transmission and transformation losses, at a frequency of sixty (60) cycles per second from said Receiving Station "E";

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties hereto agree as follows, to wit:

FREQUENCY

7. The generation, transmission, and delivery of electric energy by the City for the Municipality, pursuant to said contract dated September 24, 1931, shall, within the limits of standard practice, be at a frequency of sixty (60) cycles per second, and the Municipality waives and relinquishes any and all claims or

demands whatsoever on account of such generation, transmission, and delivery being made at said frequency, and agrees that it will hold harmless and indemnify the City against any claims or liability of or to the Municipality or its consumers by reason of such generation, transmission, and delivery at said frequency.

PLACE AND CONDITIONS OF DELIVERY

8. Said electric energy contracted for by the Municipality shall be transmitted to the City's present Central Receiving Station "B", located at 98th Street and Central Avenue in the City of Los Angeles, and all reference in said contract dated September 24, 1931, to the Central Receiving Station of the City, shall be understood as referring to said Central Receiving Station "B".

The City will transmit said electric energy contracted for delivery at said Station "B", or an equivalent amount of energy, less transmission and transformation losses, over its local high voltage transmission and distribution system, and make delivery thereof at the City's Receiving Station "E", to be constructed and located on a tract of land extending northerly of Whitnall Highway and bounded on the west by Cahuenga Boulevard, on the east by Clybourn Avenue and on the north by a line which is approximately three hundred eighty-seven (387) feet north of center line of Hatteras Street, in the City of Los Angeles, and the City, upon the execution hereof, will commence the construction of said Receiving Station "E" and will prosecute the work of constructing said Station with due diligence until completion.

The City will transmit and deliver and the Municipality will receive such energy at said Station "E", together with the Municipality's proportionate share of kilowatts and kilowatt-hours generated at the standby steam plant required to be furnished by the City under said contract dated September 24, 1931, all pursuant to Section (22) of said contract, without payment or compensation, however, to the City for the Municipality's proportionate part of the capital investment or construction costs or operation, maintenance and allowance for replacements as is required in said Section (22) of said contract dated September 24, 1931, of the City's two nominal 132,000 volt circuits extending from the City's Central Receiving Station "B" to its Receiving Station "A", including the circuit breaker connections with the 132,000 volt bus at said Station "B", nor for any transformer installation, necessary circuit breakers, busses and connections in connection therewith for partial transformation at said Station "A" or other intermediate points, nor for the two nominal 110,000 volt circuits extending from said Station "A" to said Station "E", including the circuit breakers and connections to the 110,000 volt bus at said Station "A".

It is understood and agreed, however, in connection with said transmission and delivery from the City's Receiving Station "B" to said proposed Receiving Station "E" that the transformation equipment required and used at said Sta-

tion "E" for connections and transformation from said nominal 110,000 volt lines to the nominal 34,500 volt busses at said Station "E" shall be considered in lieu of the necessary transformation equipment which would be required for transformation, from the 132,000 volt bus to the low tension bus bars by means of stepdown transformers, of the energy to be transmitted and delivered to the Municipality if delivery of same were made to the Municipality at said Station "B", and the Municipality agrees that said transformation equipment and connections at said Station "E" shall be considered as included within the definition of "transmission line" as set forth in Section (9) of said contract of September 24, 1931, and that it will pay its proportionate and reasonable share of the construction costs thereof and the cost of operation and maintenance thereof including allowance for replacements, in the amounts and at the time and in the manner provided for in said contract of September 24, 1931, and this Supplemental Contract. The City further agrees to install as part of said Station "E", satisfactory to the Municipality, the necessary bus positions, oil circuit breakers, switches, switching arrangements, and appurtenances to connect the Municipality's lines to the City's 34,500 volt busses at said Station "E", and the Municipality agrees to pay upon the installation the entire cost thereof, and to pay the City's operation and maintenance costs thereon in the manner and at the times provided for in said contract dated September 24, 1931, and this Supplemental Contract.

It is agreed, however, that the Municipality shall be charged, in the manner specified in said contract dated September 24, 1931, and particularly Section (23) thereof, for its proportionate part of transformation losses at Station "E", and in addition thereto the experienced line losses and transformation losses in the lines leading from Receiving Station "B" to Receiving Station "E" and the intermediate partial transformation on account of flow of electric energy northward from Central Receiving Station "B" resulting from the delivery of electric energy to the Municipality at said Receiving Station "E" in excess of what such losses would be were the energy delivered to the Municipality at Central Receiving Station "B".

The Municipality's obligation with respect to payment for transformations and its obligation for energy losses therefrom shall be limited to transformations downward only from the transmission voltage of the main transmission line and step by step to the nominal 34,500 volt busses at said Station "E".

TRANSMISSION LINE CONSTRUCTION COSTS

9. That paragraph 2 of Section (10) of said contract dated September 24, 1931, is hereby amended so as to read as follows, to wit:

> 2. The determination shall be made through the point by point method, whether by computation or the use of a calculator board, using a factor of 80% as the relation of the reliable operating capacity to the maximum kilowatts that can be carried imme-

diately prior and subsequent to a short circuit between two line conductors and ground at the most unfavorable location along the line; the duration of the short circuit being eleven hundredths (.11) of a second; the short circuit resulting in separating one section of one circuit through relaying; and the standby and regulating plant capacity idling without appreciable load.

TRANSMISSION CAPACITY REQUIREMENT OF MUNICIPALITY

10. The City agrees that the Municipality may use its transmission line capacity, as set out in the first paragraph of Section (11) of said contract dated September 24, 1931, up to load factors of not to exceed sixty (60) per cent.

In the event the Municipality shall in the future contract with the United States for additional electric energy over and above that provided for in the existing contract with the United States, the City will generate and transmit said additional electric energy for the use of the Municipality and its inhabitants provided that said additional electric energy together with the energy generated and transmitted for the Municipality under its original contract with the United States will not exceed the generating and transmission line capacity contracted for by the Municipality in said contract dated September 24, 1931, and this Supplemental Contract; and in this connection it is agreed that said generating and transmission line capacity may be used up to load factors of not to exceed sixty (60) per cent. Said additional electric energy, or said equivalent amount shall be delivered under the same conditions as to costs and place and manner of delivery as has been provided with respect to the electric energy contracted for in the Municipality's existing contract with the United States.

PROVISION FOR ADDITIONAL GENERATING CAPACITY

11. If in the future the requirements of the Municipality shall render it necessary or desirable that additional generating capacity be provided, the Municipality, at its option, upon giving the City fifteen (15) months advance notice of its requirements, may request the City to make provision for said additional generating capacity and the necessary standby and regulating plant capacity and any necessary transmission lines therefor, and the City shall make provision therefor, and will own, operate, and maintain all of said generating equipment and lines necessary to fulfill said requirement subject to reimbursement by the Municipality for its proportionate share (as may be agreed upon at the time of giving said advance notice) of the cost of construction, including interest on the unpaid balance. The Municipality shall also pay to the City its proportionate share of the cost of operation and maintenance of such additional capacity. Determination of costs and the method and manner of making payments shall be in accordance with the method and the manner of determining costs and making payments on account of said main transmission line as pro-

vided in said contract dated September 24, 1931, and this Supplemental Contract.

ACCOUNTS AND AUDITS

12. That Section (18) of said contract dated September 24, 1931, is hereby amended so as to read as follows, to wit:

(18) Accounts and Audits:

(a) The City shall keep separate and distinct accounts for all matters covered by this contract as to construction, operation and maintenance costs, including overhead and general and miscellaneous expenses, in accordance with the uniform system of accounts for electrical corporations prescribed by the Railroad Commission of the State of California, except as said rules and regulations may be modified by mutual consent of the parties hereto.

(b) The City will select a firm of certified public accountants, who shall establish the accounting procedure in accordance with uniform system of accounts for electrical corporations prescribed by the Railroad Commission of the State of California. Said accounts shall be audited annually by a firm of certified public accountants to be selected annually by the City, subject to the approval of any two of the following three municipalities, Pasadena, Glendale and Burbank.

OPERATING CHARACTERISTICS

13. It is agreed that the requirements of said contract dated September 24, 1931, that any standby and regulating plant capacity provided and operated by the Municipality shall be such as may be and is operated successfully in conjunction with the standby and regulating plant of the City, shall extend to any additional generating capacity or additional power supply which may be provided by the Municipality, and to the end that no undue interference with operating conditions or interruptions of service shall occur in connection with the operation of the City's system the Municipality agrees that it will not connect or interconnect its system to any additional generating capacity or any other electrical system without extending to the City the opportunity to be heard and make objections to such proposed connection or interconnection. In the event the City's objections should not be sustained by the Municipality arbitration may be resorted to unless objected to by either of the parties hereto and in that event the City or the Municipality shall have the right to resort to the courts for a determination of the issue as to whether or not the proposed connection or interconnection would be such as could be operated successfully in conjunction with the City's system and would result in no undue interference with operating conditions or interruptions of service thereon.

INTERCHANGE OF ENERGY

14. The City agrees that it will, upon the request of the Municipalities of Burbank and Glendale, deliver to either of said Municipalities at Receiving Station "E", for and on account of the Municipality entitled thereto, any unused portion of the electric energy contracted for by either Municipality with the United States, less losses in main and local transmission and transformations, or an equivalent amount; provided, that the City shall not be required at any time to deliver to the said Municipalities more energy than the combined total which the Municipalities may be entitled to receive at Receiving Staton "E's" 34,500 volt bus, nor to exceed the combined total transmission line capacity contracted for by the said Municipalities with the City under their contracts dated September 24, 1931, as modified by Supplemental Contracts.

RIGHTS OVER STREETS

15. The City agrees that it will grant to the Municipality the right to construct, operate and maintain, in accordance with the provisions of the contract dated September 24, 1931, and this Supplemental Contract, such transmission lines on, across, along, and over such streets, alleys, and highways within the City of Los Angeles as may be reasonably necessary for transmission of electric energy from Receiving Station "E" to the Municipality in such manner as to interfere as little as reasonably possible with other existing uses of such streets. The City further agrees to execute and deliver such easements and rights of way as may be necessary over real property owned by the City, if there be any, required for the construction, operation, and maintenance of said lines.

EXECUTION OF CONTRACT

16. It is understood and agreed by and between the parties hereto that the adoption of a resolution by the City Council of the City of Los Angeles ratifying and confirming the execution of this contract by the President or Vice-President of the Board of Water and Power Commissioners of the City of Los Angeles, attested by the Secretary of said Board, shall be deemed a due and complete execution hereof on behalf of the City.

DURATION OF CONTRACT

17. It is agreed that this Supplemental Contract shall continue in effect so long as the said contract dated September 24, 1931, to which it is supplemental, shall continue in effect, and that except as expressly modified and supplemented hereby, said contract dated September 24, 1931, shall remain in full force and effect.

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IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Contract to be executed the day and year first above written.

THE CITY OF LOS ANGELES, acting by and through its board of Water and Power Commissioners.

By WATT L. MORELAND, *Vice President.*

Attest:

JAS. P. VROMAN, *Secretary.*

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, by the Board of Water and Power Commissioners.

By WATT L. MORELAND, *Vice President.*

Attest:

JAS. P. VROMAN, *Secretary.*

THE CITY OF BURBANK,

By FRANK C. TILLSON, *Mayor.*

Attest:

R. H. HILL, *City Clerk.*

STATE OF CALIFORNIA,
County of Los Angeles, City of Burbank, } *ss:*

I, R. H. Hill, City Clerk in and for the City of Burbank, California, hereby certify that the next attached is a true and correct copy of Resolution Number 1538, adopted by the City Council of the City of Burbank in regular session September 15, 1936, and that same was passed by the following vote:

Ayes: Hinton Jackson, Lapsley, Rothe, Tillson.
Noes: None.
Not Present: None.
Not Voting: None.

Witness my hand and the official seal of the City of Burbank.

(Signed) R. H. HILL,
City Clerk of the City of Burbank.

By .....
Deputy.

[SEAL]

RESOLUTION NO. 1538

The Council of the City of Burbank do resolve as follows, to wit:

SECTION 1: That the Mayor of the City of Burbank be authorized to sign, and the City Clerk be authorized to attest, that certain Supplemental Contract for Generation and Transmission of Power between the City of Los Angeles and the Department of Water and Power of the City of Los Angeles and the City of Burbank bearing date of September 15th, 1936, and supplemental to the contract of September 24th, 1931.

SECTION 2: That the City Clerk shall certify to the passage of this Resolution.

PASSED and ADOPTED this 15th day of September, 1936.

FRANK C. TILLSON,
President of the Council
of the City of Burbank.

Attest:
R. H. HILL,
City Clerk of the City of Burbank.

STATE OF CALIFORNIA,
County of Los Angeles, City of Burbank, *ss:*

I, R. H. HILL, City Clerk of the City of Burbank, do hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the Council of the City of Burbank at their meeting held on the 15th day of September, 1936, by the following vote, to wit:

Ayes: Hinton, Jackson, Lapsley, Rothe, Tillson.
Noes: None.

R. H. HILL,
City Clerk of the City of Burbank.

[ITEM 52]

BOULDER CANYON PROJECT

SUPPLEMENTAL CONTRACT FOR GENERATION AND TRANSMISSION OF POWER

THE CITY OF LOS ANGELES

AND

THE CITY OF GLENDALE

SEPTEMBER 17, 1936

1. This Supplemental Contract, made this 17th day of September, 1936, between the City of Los Angeles, a municipal corporation, and Department of Water and Power of the City of Los Angeles, acting for this purpose by its Board of Water and Power Commissioners, hereinafter styled the "City", and the City of Glendale, hereinafter styled the "Municipality";

WITNESSETH THAT:

EXPLANATORY RECITALS

2. WHEREAS, under date of September 24, 1931, the parties hereto entered into a contract whereby, among other things, the City agreed, under the terms and conditions therein set forth, to generate certain electric energy contracted for by the Municipality by contract with the United States of America, and to transmit and deliver the same, less losses in transmission and in transformations, to which contract dated September 24, 1931, and to the recitals contained therein and agreements attached thereto, reference is hereby made; and

3. WHEREAS, the generating machinery and equipment (now being installed at Boulder Dam by the Government of the United States) is designed to operate at a frequency of sixty (60) cycles per second; and

4. WHEREAS, the transmission and delivery by the City of said electric energy contracted for by the Municipality at a frequency of sixty (60) cycles per second will necessitate changes and adjustments in portions of the electric system of the Municipality and in portions of the electric equipment of consumers supplied by the Municipality, and the Municipality claims that it will suffer substantial damage by reason thereof (although the City does not concede that any such damage will in effect be suffered, but, on the contrary, maintains that such generation, transmission, and delivery at a frequency of sixty (60) cycles per second, while involving substantial expenditures, will make possible both immediate and future economies more than offsetting such expense); and

5. WHEREAS, the City, pursuant to the provisions of Section (22) of said contract dated September 24, 1931, is willing to transmit and deliver the energy contracted for by the Municipality from the City's Central Receiving Station "B" over its local high voltage transmission and distribution system to Receiving Station "E" to be constructed by the City near the boundary of the Municipality, and to waive a large portion of the compensation which the Municipality is required under the provisions of Section (22) to pay to the City for the said use of the City's high voltage transmission and distribution system; and

6. WHEREAS, the Municipality is willing to receive delivery of said electrical energy or an equivalent amount thereof, less transmission and transformation losses, at a frequency of sixty (60) cycles per second from said Receiving Station "E";

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties hereto agree as follows, to wit:

FREQUENCY

7. The generation, transmission, and delivery of electric energy by the City for the Municipality, pursuant to said contract dated September 24, 1931, shall, within the limits of standard practice, be at a frequency of sixty (60)

cycles per second, and the Municipality waives and relinquishes any and all claims or demands whatsoever on account of such generation, transmission, and delivery being made at said frequency, and agrees that it will hold harmless and indemnify the City against any claims or liability of or to the Municipality or its consumers by reason of such generation, transmsision, and delivery at said frequency.

PLACE AND CONDITIONS OF DELIVERY

8. Said electric energy contracted for by the Municipality shall be transmitted to the City's present Central Receiving Station "B", located at 98th Street and Central Avenue in the City of Los Angeles, and all references in said contract dated September 24, 1931, to the Central Receiving Station of the City, shall be understood as referring to said Central Receiving Station "B".

The City will transmit said electric energy contracted for delivery at said Station "B", or an equivalent amount of energy, less transmission and transformation losses, over its local high voltage transmission and distribution system, and make delivery thereof at the City's Receiving Station "E", to be constructed and located on a tract of land extending northerly of Whitnall Highway and bounded on the west by Cahuenga Boulevard, on the east by Clybourn Avenue and on the north by a line which is approximately three hundred eighty-seven (387) feet north of center line of Hatteras Street, in the City of Los Angeles, and the City, upon the execution hereof, will commence the construction of said Receiving Station "E", and will prosecute the work of constructing said station with due diligence until completion.

The City will transmit and deliver and the Municipality will receive such energy at said Station "E", together with the Municipality's proportionate share of kilowatts and kilowatt-hours generated at the standby steam plant required to be furnished by the City under said contract dated September 24, 1931, all pursuant to Section (22) of said contract, without payment or compensation, however, to the City for the Municipality's proportionate part of the capital investment or construction costs or operation, maintenance and allowance for replacements as is required in said Section (22) of said contract dated September 24, 1931, of the City's two nominal 132,000 volt circuits extending from the City's central Receiving Station "B" to its Receiving Station "A", including the circuit breaker connections with the 132,000 volt bus at said Station "B", nor for any transformer installation, necessary circuit breakers, busses and connections in connection therewith for partial transformation at said Station "A" or other intermediate points, nor for the two nominal 110,000 volt circuits extending from said Station "A" to said Station "E", including the circuit breakers and connections to the 110,000 volt bus at said Station "A".

It is understood and agreed, however, in connection with said transmission and delivery from the City's Receiving Station "B" to said proposed Receiving

Station "E" that the transformation equipment required and used at said Station "E" for connections and transformation from said nominal 110,000 volt lines to the nominal 34,500 volt busses at said Station "E" shall be considered in lieu of the necessary transformation equipment which would be required for transformation, from the 132,000 volt bus to the low tension bus bars by means of stepdown transformers, of the energy to be transmitted and delivered to the Municipality if delivery of same were made to the Municipality at said Station "B", and the Municipality agrees that said transformation equipment and connections at said Station "E" shall be considered as included within the definition of "transmission line" as set forth in Section (9) of said contract of September 24, 1931, and that it will pay its proportionate and reasonable share of the construction costs thereof and the cost of operation and maintenance thereof including allowance for replacements, in the amounts and at the time and in the manner provided for in said contract of September 24, 1931, and this Supplemental Contract. The City further agrees to install as part of said Station "E", satisfactory to the Municipality, the necessary bus positions, oil circuit breakers, switches, switching arrangements, and appurtenances to connect the Municipality's lines to the City's 34,500 volt busses at said Station "E", and the Municipality agrees to pay upon the installation the entire cost thereof, and to pay the City's operation and maintenance costs thereon in the manner and at the times provided for in said contract dated September 24, 1931, and this Supplemental Contract.

It is agreed, however, that the Municipality shall be charged, in the manner specified in said contract dated September 24, 1931, and particularly Section (23) thereof, for its proportionate part of transformation losses at Station "E", and in addition thereto the experienced line losses and transformation losses in the lines leading from Receiving Station "B" to Receiving Station "E" and the intermediate partial transformation on account of flow of electric energy northward from Central Receiving Station "B" resulting from the delivery of electric energy to the Municipality at said Receiving Station "E" in excess of what such losses would be were the energy delivered to the Municipality at Central Receiving Station "B".

The Municipality's obligation with respect to payment for transformations and its obligation for energy losses therefrom shall be limited to transformations downward only from the transmission voltage of the main transmission line and step by step to the nominal 34,500 volt busses at said Station "E".

TRANSMISSION LINE CONSTRUCTION COSTS

9. That paragraph 2 of Section (10) of said contract dated September 24, 1931, is hereby amended so as to read as follows, to wit:

2. The determination shall be made through the point by point method, whether by computation or the use of a calculator board, using a factor of 80% as the rela-

tion of the reliable operating capacity to the maximum kilowatts that can be carried immediately prior and subsequent to a short circuit between two line conductors and ground at the most unfavorable location along the line; the duration of the short circuit being eleven hundredths (.11) of a second; the short circuit resulting in separating one section of one circuit through relaying; and the standby and regulating plant capacity idling without appreciable load.

TRANSMISSION CAPACITY REQUIREMENT OF MUNICIPALITY

10. That the first paragraph of Section (11) of said contract dated September 24, 1931, is hereby amended so as to read as follows, to wit:

The transmission line capacity required to be provided for the Municipality shall be eighteen thousand, four hundred sixty-eight (18,468) kilowatts at eighty per cent (80%) power factor.

The City agrees that the Municipality may use its transmission line capacity, as set out in the first paragraph of Section (11) of said contract dated September 24, 1931, up to load factors of not to exceed sixty (60) per cent.

In the event the Municipality shall in the future contract with the United States for additional electric energy over and above that provided for in the existing contract with the United States, the City will generate and transmit said additional electric energy for the use of the Municipality and its inhabitants provided that said additional electric energy together with the energy generated and transmitted for the Municipality under its original contract with the United States will not exceed the generating and transmission line capacity contracted for by the Municipality in said contract dated September 24, 1931, and this Supplemental Contract; and in this connection it is agreed that said generating and transmission line capacity may be used up to load factors of not to exceed sixty (60) per cent. Said additional electric energy, or said equivalent amount shall be delivered under the same conditions as to costs and place and manner of delivery as has been provided with respect to the electric energy contracted for in the Municipality's existing contract with the United States.

PROVISION FOR ADDITIONAL GENERATING CAPACITY

11. If in the future the requirements of the Municipality shall render it necessary or desirable that additional generating capacity be provided, the Municipality, at its option, upon giving the City fifteen (15) months' advance notice of its requirements, may request the City to make provision for said additional generating capacity and the necessary standby and regulating plant capacity and any necessary transmission lines therefor, and the City shall make provision therefor, and will own, operate, and maintain all of said generating equipment and lines necessary to fulfill said requirement subject to reimbursement by the Municipality for its proportionate share (as may be agreed upon at the time of giving said advance notice) of the cost of construction, including

interest on the unpaid balance. The Municipality shall also pay to the City its proportionate share of the cost of operation and maintenance of such additional capacity. Determination of costs and the method and manner of making payments shall be in accordance with the method and the manner of determining costs and making payments on account of said main transmission line as provided in said contract dated September 24, 1931, and this Supplemental Contract.

ACCOUNTS AND AUDITS

12. That Section (18) of said contract dated September 24, 1931, is hereby amended so as to read as follows, to wit:

(18) ACOUNTS AND AUDITS

(a) The City shall keep separate and distinct accounts for all matters covered by this contract as to construction, operation and maintenance costs, including overhead and general and miscellaneous expenses, in accordance with the uniform system of accounts for electrical corporations prescribed by the Railroad Commission of the State of California, except as said rules and regulations may be modified by mutual consent of the parties hereto.

(b) The City will select a firm of certified public accountants, who shall establish the accounting procedure in accordance with the uniform system of accounts for electrical corporations prescribed by the Railroad Commission of the State of California. Said accounts shall be audited annually by a firm of certified public accountants to be selected annually by the City, subject to the approval of any two of the following three municipalities, Pasadena, Glendale and Burbank.

OPERATING CHARACTERISTICS

13. It is agreed that the requirements of said contract dated September 24, 1931, that any standby and regulating plant capacity provided and operated by the Municipality shall be such as may be and is operated successfully in conjunction with the standby and regulating plant of the City, shall extend to any additional generating capacity or additional power supply which may be provided by the Municipality, and to the end that no undue interference with operating conditions or interuptions of service shall occur in correction with the operation of the City's system the Municipality agrees that it will not connect or interconnect its system to any additional generating capacity or any other electrical system without extending to the City the opportunity to be heard and make objections to such proposed connection or interconnection. In the event the City's objections should not be sustained by the Municipality arbitration may be resorted to unless objected to by either of the parties hereto and in that event the City or the Municipality shall have the right to resort to the Courts for a determination of the issue as to whether or not the proposed connection or interconnection would be such as could be operated successfully in

conjunction with the City's system and would result in no undue interference with operating conditions or interruptions of service thereon.

INTERCHANGE OF ENERGY

14. The City agrees that it will, upon the request of the Municipalities of Burbank and Glendale, deliver to either of said Municipalities at Receiving Station "E", for and on account of the Municipality entitled thereto, any unused portion of the electric energy contracted for by either Municipality with the United States, less losses in main and local transmission and transformations, or an equivalent amount; provided, that the City shall not be required at any time to deliver to the said Municipalities more energy than the combined total which the Municipalities may be entitled to receive at Receiving Station "E's" 34,500 volt bus, nor to exceed the combined total transmission line capacity contracted for by the said Municipalities with the City under their contracts dated September 24, 1931, as modified by Supplemental Contracts.

RIGHTS OVER STREETS

15. The City agrees that it will grant to the Municipality the right to construct, operate and maintain, in accordance with the provisions of the contract dated September 24, 1931, and this Supplemental Contract, such transmission lines on, across, along, and over such streets, alleys, and highways within the City of Los Angeles as may be reasonably necessary for transmission of electric energy from Receiving Station "E" to the Municipality in such manner as to interfere as little as reasonably possible with other existing uses of such streets. The City further agrees to execute and deliver such easements and rights of way as may be necessary over real property owned by the City, if there be any, required for the construction, operation, and maintenance of said lines.

EXECUTION OF CONTRACT

16. It is understood and agreed by and between the parties hereto that the adoption of a resolution by the City Council of the City of Los Angeles ratifying and confirming the execution of this contract by the President or Vice-President of the Board of Water and Power Commissioners of the City of Los Angeles, attested by the Secretary of said Board, shall be deemed a due and complete execution hereof on behalf of the City.

DURATION OF CONTRACT

17. It is agreed that this Supplemental Contract shall continue in effect so long as the said contract dated September 24, 1931, to which it is supplemental, shall continue in effect, and that except as expressly modified and supplemented

hereby, said contract dated September 24, 1931, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Contract to be executed the day and year first above written.

THE CITY OF LOS ANGELES, acting by and through its Board of Water and Poower Commissioner.

By WATT L. MORELAND, *Vice President.*

Attest:

(S) JAS. P. VROMAN, *Secretary.*

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, by the Board of Water and Power Commissioners,

By WATT L. MORELAND, *Vice President.*

Attest:

(S) JAS. P. VROMAN, *Secretary.*

THE CITY OF GLENDALE,

By (S) L. E. OLSEN, *Mayor.*

Attest:

(S) G. E. CHAPMAN, *City Clerk.*

Approved as to form:

(S) AUBREY N. IRWIN, *City Attorney.*

Date 9-17-36

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLENDALE: That that certain Supplemental Contract now in the hands of the City Clerk, as submitted by the Department of Water and Power of the City of Los Angeles, under date of September 11, 1936, and which said contract is dated September 17, 1936, wherein the City of Los Angeles, a municipal corporation, and Department of Water and Power of the City of Los Angeles, acting for this purpose by its Board of Water and Power Commissioners, and the City of Glendale agree to modify the terms of a contract entered into between said parties under date of September 24, 1931, for the generation, transmission and delivery of electric energy contracted for by the municipality by contract with the United States Government, be and the same is hereby approved and accepted and the Mayor is authorized to execute the same in duplicate on behalf of the City of

Glendale, and the City Clerk is directed to attest the same and affix the seal of the City of Glendale thereto.

I, G. E. CHAPMAN, City Clerk of the City of Glendale, do hereby certify that the foregoing is a true and correct copy of resolution adopted by the Council of the City of Glendale, California, on the 17th day of September, 1936.

(S) G. E. CHAPMAN, *City Clerk.*

[ITEM 53]

BOULDER CANYON PROJECT

ASSIGNMENT AND AGREEMENT

THE SOUTHERN SIERRAS POWER COMPANY, Assignor

AND

THE NEVADA-CALIFORNIA ELECTRIC CORPORATION, Assignee

NOVEMBER 30, 1936

(I1r–674)

This ASSIGNMENT AND AGREEMENT made this 30th day of November, 1936, by and between THE SOUTHERN SIERRAS POWER COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Wyoming, First Party, Assignor, and THE NEVADA-CALIFORNIA ELECTRIC CORPORATION, a corporation organized and existing under and by virtue of the laws of the State of Delaware, Second Party, Assignee,

WITNESSETH:

WHEREAS, the Assignee is the owner and holder of all of the outstanding capital stock and bonds of the Assignor, (there being no other securities or evidences of interest, ownership or indebtedness of the Assignor outstanding) and the Assignor intends to effectuate complete liquidation and dissolution, with the effect that all of its property, rights and assets will become vested in the Assignee and, as a part of the proceedings of such dissolution, desires to assign, grant, transfer and convey to the Assignee, all of the Assignor's property, rights and assets, and the Assignee intends to assume and perform all of the Assignor's liabilities and obligations;

NOW, THEREFORE, the Assignor, for and in consideration of the Assignee's surrender for cancellation, retirement, redemption and extinguishment of

all of the outstanding capital stock and bonds of the Assignor, does hereby assign, transfer and set over to the Assignee and to its successors and assigns forever, all of the right, title, interest and equity of the Assignor in, to and under that certain contract between the United States of America and the Assignor, dated the 5th day of November, 1931, (symbol and number I1r–674), providing for the sale to and purchase by the Assignor of electrical energy to be generated at the Boulder Dam Power Plant.

In consideration whereof, the Assignee, hereby, accepts said assignment and assumes and agrees to perform each and all of the duties and obligations of the Assignor under said contract and to be bound by all of the terms and conditions thereof to the same extent as though said Assignee were the original contractor thereunder.

IN WITNESS WHEREOF, the said parties have caused these presents to be duly executed in their corporate names and their corporate seals to be hereunto affixed by their respective proper officers, for that purpose duly authorized, the day and year first above written.

THE SOUTHERN SIERRAS POWER COMPANY,
By A. B. WEST, *President.*

Attest:
J. R. GILBERT, *Secretary.*

[SEAL]

THE NEVADA-CALIFORNIA ELECTRIC CORPORATION,
By LAWRENCE C. PHIPPS, JR., *Vice-President.*

Attest:
D. W. STRICKLAND,
Assistant Secretary.

[SEAL]

Legal features approved:
COIL, *General Counsel.*

STATE OF COLORADO,
City and County of Denver, } ss:

On this 30th day of November A.D. 1936, before me, Cora M. Constable, a Notary Public within and for said City and County and State, personally appeared A. B. WEST, known to me to be the President, and J. R. GILBERT, known to me to be the Secretary of THE SOUTHERN SIERRAS POWER COM-

PANY, the Corporation that executed the foregoing instrument, and, upon oath, each did severally depose that he is the officer of said corporation as above designated; that he is acquainted with the seal of said corporation, and that the seal affixed to said instrument is the corporate seal of said corporation; that the signatures to said instrument were made by said officers of said corporation as indicated; and that the said corporation executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my notarial seal on the day and year in this certificate first above written.

My Commission Expires January 8, 1938.

CORA M. CONSTABLE,
Notary Public in and for the City and County of Denver, State of Colorado.

[SEAL]

STATE OF COLORADO,
City and County of Denver, } *ss:*

On this 30th day of November A.D. 1936, before me, Cora M. Constable, a Notary Public within and for said City and County and State, personally appeared L. C. PHIPPS, JR., known to me to be the Vice-President, and D. W. STRICKLAND, known to me to be the Assistant Secretary of THE NEVADA-CALIFORNIA ELECTRIC CORPORATION, the corporation that executed the foregoing instrument, and, upon oath each did severally depose that he is the officer of said corporation as above designated, that he is acquainted with the seal of said corporation, and that the seal affixed to said instrument is the corporate seal of said corporation; that the signatures to said instrument were made by said officers of said corporation as indicated; and that the said corporation executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my notarial seal on the day and year in this certificate first above written.

My Commission Expires January 8, 1938.

CORA M. CONSTABLE,
Notary Public in and for the City and County of Denver, State of Colorado.

[SEAL]

833942—50—40

THE SECRETARY OF THE INTERIOR

WASHINGTON

Nov. 24, 1936.

The SOUTHERN SIERRAS POWER COMPANY,
Riverside, California.

GENTLEMEN: The receipt is acknowledged of your letter dated October 2, 1936, addressed to the Commissioner of Reclamation, in which you request that the United States assent to the proposed transfer and assignment of contract dated November 5, 1931 (Symbol and Number I1r–674), for the sale to and purchased by The Southern Sierras Power Company of electrical energy to be generated at Boulder Dam power plant, and contract dated July 14, 1936 (Symbol and Number I2r–6281), providing for the sale to The Southern Sierras Power Company of surplus electrical energy to be developed at Syphon Drop power plant, Yuma project, and the delivery of electrical energy to the United States at times when electrical energy is not available from such power plant, through merger and consolidation of The Southern Sierras Power Company into The Nevada-California Electric Corporation, a corporation organized under the laws of the State of Delaware, which said merger and consolidation has heretofore received the approval of the Securities Exchange Commission, the Federal Power Commission and the Railroad Commission of the State of California.

Subject to the condition that the proposed transfer and assignment of the aforesaid contracts be so effected that The Nevada-California Electric Corporation shall agree to be bound by all the terms and conditions thereof to the same extent as though such assignee were the original contractor thereunder, assent is hereby given to the proposed transfer and assignment of the above described contracts.

Sincerely yours,
T. A. WALTERS,
Acting Secretary of the Interior.

[ITEM 54]

BOULDER CANYON PROJECT

ASSIGNMENT OF CONTRACT

LOS ANGELES GAS AND ELECTRIC CORPORATION, Assignor

AND

THE CITY OF LOS ANGELES, Assignee

JANUARY 26, 1937

(I1r–671)

KNOW ALL MEN BY THESE PRESENTS, that the undersigned LOS ANGELES GAS AND ELECTRIC CORPORATION, a corporation, Assignor, for a valuable consideration paid, has sold, assigned, transferred and set over, and by these presents does sell, assign, transfer and set over, unto the undersigned THE CITY OF LOS ANGELES, a municipal corporation, and its Department of Water and Power (said Department acting herein in the name of the City, but as principal in its own behalf as well as in behalf of the City; the term City as used in this instrument being deemed to be both the City of Los Angeles and its Department of Water and Power), Assignee, that certain contract bearing date the 12th day of November, 1931, (Symbol and Number I1r–671), made between The United States of America and the said Assignor, covering the sale to and purchase by said Assignor of quantities of electrical energy to be developed at Boulder Dam Power plant;

TO HAVE AND TO HOLD the same unto the said City, from the 31st day of January, 1937, for and during the remainder of the term of said contract.

The City has obtained a full, true and correct copy of said contract of November 12, 1931, knows the contents thereof, and hereby accepts the as-

signment of the same and hereby agrees to be bound by all the provisions and conditions thereof to the same extent as though the City were the original contractor thereunder.

THE UNITED STATES OF AMERICA, in consideration of the execution of this instrument by the City, and the written approval hereof by Southern California Edison Company, Ltd., consents and agrees to the aforesaid assignment and accepts the City in the place and stead of the Assignor, and hereby releases the Assignor from any and all obligations and liabilities under the aforesaid contract of November 12, 1931.

No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom. Nothing, however, herein contained shall be construed to extend to this contract if made with a corporation for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed on the 26th day of January, 1937.

LOS ANGELES GAS AND ELECTRIC CORPORATION,
By ADDISON B. DAY, *President.*

[SEAL]

Attest:
F. E. SEAVER, *Secretary.*

THE CITY OF LOS ANGELES, acting by and through its Board of Water and Power Commissioners,
By JOHN R. HAYNES, *President.*

[SEAL]

Attest:
JAS. P. VROMAN, *Secretary.*

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, by the Board of Water and Power Commissioners,
By JOHN R. HAYNES, *President.*

[SEAL]

Attest:
JAS. P. VROMAN, *Secretary.*

THE UNITED STATES OF AMERICA,
By .....
Secretary of the Interior.

And SOUTHERN CALIFORNIA EDISON COMPANY LTD., as evidence of its approval of this instrument, has caused its corporate name to be subscribed hereto by its officers thereunto duly authorized on the 26th day of January, 1937.

SOUTHERN CALIFORNIA EDISON COMPANY, LTD.,
By HARRY J. BAUER, *President.*

Attest:
A. W. KRACHEY, *Ass't Secretary.*

[SEAL]

[ITEM 55]

BOULDER CANYON PROJECT

SUPPLEMENTAL CONTRACT FOR LEASE OF POWER PRIVILEGES

THE UNITED STATES

AND

THE NEVADA–CALIFORNIA ELECTRIC CORPORATION

JULY 22, 1937

(11r–674)

1. THIS SUPPLEMENTAL CONTRACT, made this 22nd day of July, nineteen hundred thirty-seven, pursuant to the Act of Congress approved June 17, 1902 (32 Stat., 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat., 1057), designated the Boulder Canyon project act, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by the contracting officer executing this contract, thereunto duly authorized by the Secretary of the Interior, hereinafter styled the Secretary, and THE NEVADA-CALIFORNIA ELECTRIC CORPORATION, a corporation organized and existing under and by virtue of the laws of the State of Delaware, hereinafter referred to as the Company:

WITNESSETH:

EXPLANATORY RECITALS

2. WHEREAS, for the purpose of controlling the floods, improving navigation and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters for reclamation of public lands and other beneficial uses exclusively within the United States, and for the generation of electrical energy, the Secretary, subject to the terms of the Colorado River Compact, is authorized to construct, operate, and maintain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon, adequate to create a storage reservoir of a capacity of not less than twenty million acre-feet of water; also to construct, equip, operate, and maintain at or near said dam, or cause to be constructed, a complete plant and incidental structures suitable for the fullest economic development of electrical energy from the water discharged from said reservoir; and

3. WHEREAS, after full consideration of the advantages of both Black Canyon and Boulder Canyon dam sites, the Secretary has determined upon Black Canyon as the site of the aforesaid dam, hereinafter referred to as Boulder Dam, and has caused said dam to be constructed so as to create at the date of completion thereof a storage reservoir, hereinafter referred to as Lake Mead, of a capacity of approximately thirty million five hundred thousand acre-feet of water, and is causing to be constructed and equipped at or near said dam a complete plant and incidental structures for the development of electrical energy from the water discharged from the aforementioned reservoir; and

4. WHEREAS, the United States has entered into a several contract with The City of Los Angeles and Southern California Edison Company Ltd., of date April 26, 1930, for the lease, and for the operation and maintenance of the power plant to be constructed at Boulder Dam as aforesaid, together with the

right to generate electrical energy as therein stated, a copy of which said lease-contract, as amended by supplemental contracts of dates May 28, 1930, and September 23, 1931, is attached hereto, marked Exhibit "A", and by this reference made a part hereof; and

5. WHEREAS in addition to other contracts, the United States has also entered into a contract with The Southern Sierras Power Company of date November 5, 1931, (Symbol and Number I1r–674), which said contract has been assigned to the Company, wherein the United States has agreed, under the terms and conditions therein stated, to cause electrical energy generated at Boulder Dam to be delivered to the Company throughout the period during which Southern California Edison Company Ltd., is obligated or entitled to take energy under the aforesaid lease-contract of April 26, 1930, as amended; and

6. WHEREAS, the Company and its predecessor in interest, have heretofore invested a large amount of money in a transmission line over which power for use in connection with construction of Boulder Dam and power plant was transmitted, and this transmission line would remain idle for a period of several years except for this supplemental contract, and the Company is desirous of entering into a contract with the United States for the installation and lease of equipment for the generation of electrical energy at Boulder Dam, and for the use of waters to be released from Lake Mead from the time when this supplemental contract becomes effective to the time when Southern California Edison Company Ltd. is obligated or entitled to take energy under the aforesaid lease-contract of April 26, 1930, as amended; and

7. WHEREAS, because of the necessity of releasing water to supply perfected rights below Boulder Dam, it is anticipated that prior to the time the Company is obligated or entitled to take energy under the aforesaid contract of date November 5, 1931, large quantities of water will be available at Boulder Dam, over and above the quantities of water necessary for the fullest operation of electrical generating equipment to be installed for the use and benefit of The City of Los Angeles, and others who have contracted with the United States for electrical energy to be generated at said dam, and who are obligated or entitled to take energy prior to the time when the Company is thus obligated or entitled, and, under the provisions of this supplemental contract there is opportunity for the United States to derive considerable revenue from the use of such waters for the generation of electrical enrgy;

8. NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to wit:

OPERATION AND MAINTENANCE OF BOULDER DAM

9. The United States will operate and maintain Boulder Dam, Lake Mead, pressure tunnels, penstocks to but not inclusive of the shut-off valves at the inlets to the turbine casings, and outlet works, and shall have full control of all water passing said dam for any and all purposes. The Company shall not have the

right to demand the release of any quantities of water for the generation of electrical energy, or otherwise, but shall have the right to the use of waters released from Lake Mead for the generation of electrical energy only as, if and when, as conclusively determined by the Secretary, water is available for the use of the Company for such purpose over and above quantities of water required for the fullest operation of electrical generating equipment heretofore furnished and installed or hereafter to be furnished and installed by the United States for the use and benefit of The City of Los Angeles (and its Department of Water and Power), pursuant to the aforesaid contract of date April 26, 1930, and the aforesaid supplements thereto, hereinbefore designated as "Exhibit A," or pursuant to that certain contract between the United States and The City of Los Angeles, and its Department of Water and Power, of date October 22, 1934, designated "Permit and License to Use Machinery and Power Plant Facilities," and heretofore furnished and installed, or hereafter to be furnished and installed for the use and benefit of others that have contracted with the United States for the purchase of electrical energy to be generated at Boulder Dam power plant, and are entitled or obligated, under contracts heretofore made, to take electrical energy prior to the time Southern California Edison Company Ltd. is entitled or obligated to take electrical energy to be thus generated. It is understood and agreed by the Company that this contract shall be without prejudice to the right of the United States to hereafter make contracts with others now entitled or obligated to take electrical energy to be generated at Boulder Dam power plant during the period from the time when this contract becomes effective to the time when such others are entitled or obligated to take electrical energy under the provisions of Exhibit "A" hereof; provided, however, that the Company shall not thereby be denied sufficient releases of water, if available (over and above quantities of water required for the fullest operation of electric generating equipment installed or to be installed for the use and benefit of The City of Los Angeles and its Department of Water and Power, as aforesaid, or for the use and benefit of others under contracts heretofore made), as determined by the Secretary, for its needs not exceeding th amount necessary for the full operation of the machinery and equipment leased hereunder. It is also understood by the Company that Boulder Dam and Lake Mead will be operated and used: First, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of perfected rights in pursuance of Article VIII of the Colorado River Compact; and third, for power, and this supplemental contract is made upon the express condition, and with the express covenant, that the rights of the Company to waters of the Colorado River, or its tributaries, shall be subject to, and controlled by the Colorado River Compact.

INSTALLATION OF MACHINERY

10. In connection with the construction of Boulder Dam, power plant and appurtenant structures, the United States will furnish and install in said power

plant building (a) one (1) vertical shaft 55,000-horsepower hydraulic turbine, complete with governor, pressure regulator and butterfly type shut-off valve, (b) one (1) 40,000 Kv-a., 60-cycle generating unit, and (c) step-up transformers and high voltage switching equipment, together with appropriate spare parts for all such equipment.

LEASE OF MACHINERY AND POWER PLANT FACILITIES

11. The United States hereby leases the machinery and equipment specified in Article ten (10) hereof, and appropriate plant facilities, to the Company for the period from the time when this contract becomes effective to the time when Southern California Edison Company Ltd. is obligated or entitled, as conclusively determined by the Secretary, to take energy under the provisions of Exhibit "A" hereof, and particularly under the provisions of Article eleven (11) (c) thereof. At the end of the said period all such machinery and equipment, and corresponding plant facilities, shall be delivered up to the United States for operation by Southern California Edison Company Ltd., in fulfillment of its obligations to generate electrical energy for the use and benefit of the Company under its contract with the United States of date November 5, 1931 (Symbol and Number I1r–674), and in fulfillment of the obligations of the United States to furnish and install generating equipment for such purpose.

COMPENSATION FOR USE OF MACHINERY

12. Compensation for the use, for the period of this supplemental contract, of machinery and equipment furnished and installed by the United States, for the Company for the generation of electrical energy, equal to the cost thereof, including interest charges at the rate of four per centum (4%) per annum, compounded annually from the date of advances to the Colorado River Dam fund for the purchase and installation of such equipment and machinery to June 1 of the year next preceding the year when the initial installment becomes due under this article, shall be paid to the United States by the Company in ten (10) equal annual installments, so as to amortize the total cost (including interest as fixed above), and interest thereafter upon the unpaid balance of such total cost at the rate of four per centum (4%) per annum. The first installment thereof payable by the Company shall be due on June 1 next following the date when the Secretary announces that 1,250,000,000 kilowatt-hours of energy per year is ready for delivery. Subsequent installments thereof shall be paid on June 1 of each year thereafter, and the annual installments of such charges agreed to be paid by the Company to the United States under the provisions of the aforesaid contract of November 5, 1931, are hereby accelerated accordingly. The Company agrees that in event arrangements are made for operation by the United States of all of Boulder

power plant, or all except that portion operated by The City of Los Angeles (and its Department of Water and Power), to relinquish the machinery and equipment mentioned in Article ten (10) hereof to the United States for operation by it, and in such event the Company agrees to pay a demand charge of twenty cents ($0.20) per month per kilowatt of thirty-minute integrated maximum demand, as measured at generator voltage and corrected for step-up transformer losses, occurring during the month or at any time during the preceding eleven (11) months, or such other demand charge as may be finally adopted for other power contractors who accept Government operation of Boulder power plant, which demand charge shall be in lieu of the compensation for use of machinery and equipment as provided herein and in the aforesaid contract of November 5, 1931, and shall also cover the cost of operation, maintenance, repair, and replacement of machinery and generating equipment. Any amounts paid by the Company for the use of machinery and equipment as provided herein, prior to the time when said machinery and equipment is relinquished to the United States for operation by it, will be rebated to the Company. Such rebates will be made by credits on monthly bills due or to become due the United States either under this supplemental contract or under contract dated November 5, 1931, until such amounts paid by the Company for use of machinery and equipment have been completely rebated.

OPERATION AND MAINTENANCE OF POWER PLANT

13. Upon written notification from the Secretary that generating equipment is ready for operation by it, and that water is available for generating energy therefrom, the Company shall assume operation and maintenance of that portion of the power plant containing the machinery and equipment specified in Article ten (10) hereof, and thereafter the Company shall save the United States, its officers, agents and employees harmless as to injury and damage to persons and property which may in any manner arise out of the operation and maintenance of the portion of such power plant leased to it. Machinery and equipment leased to the Company hereunder shall be maintained in first class operating condition at the sole cost and expense of the Company, under the supervision of a Director appointed by the Secretary. The Director, among other powers, shall have authority to enforce rules and regulations promulgated by the Secretary in accordance with the Boulder Canyon project act, respecting operation and maintenance of the power plant and appurtenant works and structures, pursuant to Article thirty (30) hereof.

KEEPING LEASED PROPERTY IN REPAIR

14. Except in case of emergency, no substantial change in the machinery and equipment specified in Article ten (10) hereof shall be made by the

Company without first having had and obtained the written consent of the aforesaid Director, or the Secretary, and the Secretary's opinion as to whether any change in any leased property is or is not substantial shall be conclusive and binding upon the Company. The Company shall promptly make any and all repairs to and replacements of the machinery and equipment (except those occasioned by acts of God) in its control, which, in the opinion of the Secretary, are deemed necessary for the proper operation and maintenance of said machinery and equipment. In case of neglect or failure of the Company to make such repairs, the United States may, at its option, cause such repairs to be made and charge the actual cost thereof, plus fifteen per centum (15%) to cover overhead and general expense, to the Company, which amount, together with interest at the rate of four per centum (4%) per annum, from the date of the expenditure to the date of payment shall be paid to the United States by the Company. The cost to the United States, with overhead and interest as stated above, of making any of the repairs contemplated by this supplemental contract, shall be repaid by the Company on June 1 immediately succeeding the date of completion of such repairs.

PAYMENT FOR USE OF FALLING WATER

15. The Company agrees to pay for the use of falling water for the generation of energy for its own use by the equipment leased hereunder as follows:

(a) One and sixty-three hundredths mills ($0.00163) per kilowatt-hour (delivered at transmission voltage) for firm energy; and

(b) One-half mill ($0.0005) per kilowatt-hour (delivered at transmission voltage) for secondary energy.

FIRM AND SECONDARY ENERGY DEFINED

16. (a) The amount of firm energy which will be available under this supplemental contract for each year (June 1 to May 31, inclusive) following the date when the Secretary announces that energy is ready for delivery to The City of Los Angeles (and its Department of Water and Power) as provided in Exhibit "A" hereof shall be defined as follows:

First year	114,280,000 kilowatt-hours
Second year	114,048,000 kilowatt-hours
Third year	113,817,000 kilowatt-hours

provided, that, in the event the States of Nevada and/or Arizona hereafter enter into contracts with the United States covering the purchase of firm energy allocated to them under the provisions of Exhibit "A" hereof, then and in such event the amounts of firm energy hereinabove defined shall be reduced to the extent of ten per centum (10%) of one-half (½) of the amount of kilowatt-hours of energy thus contracted for by such States, or either of them.

Also, in event either of said States relinquishes to the United States energy heretofore or hereafter contracted for as aforesaid, then and in such event the amounts of firm energy as hereinabove defined shall be increased to the extent of ten per centum (10%) of one-half (½) of the amount of kilowatt-hours of energy thus released to the United States. If the amount of firm energy available to the Company during any year (June 1 to May 31, inclusive), as stated above, be changed because of the purchase or release of energy by either of the States of Arizona or Nevada, then the amount of firm energy available to the Company during any such year shall be considered as the average amount of firm energy available during all of such year.

(b) The term secondary energy wherever used herein shall mean all electrical energy generated in one year (June 1 to May 31, inclusive), in excess of the amount of firm energy as hereinabove defined, available in such year and all electrical energy generated prior to the date when the Secretary announces that energy is ready for delivery to The City of Los Angeles (and its Department of Water and Power) as provided in Exhibit "A" hereof.

MINIMUM ANNUAL PAYMENT

17. The minimum quantity of firm energy which the Company shall take and/or pay for each year (June 1 to May 31, inclusive), under the terms of this supplemental contract, after the same is ready for delivery to the Company, as provided in Article thirteen (13) hereof, and beginning with the date when the Secretary announces that energy is ready for delivery to The City of Los Angeles (and its Department of Water and Power) shall be the amounts of firm energy as defined in Article sixteen (16) hereof.

The total payments made by the Company for firm energy available in any year (June 1 to May 31, inclusive), whether any energy is generated by it or not, in addition to its payments for use of machinery, shall be not less than the number of kilowatt-hours of firm energy available to the Company and which the Company is obligated to take and/or pay for during said year, multiplied by one and sixty-three hundredths mills ($0.00163). For a fractional year at the beginning or end of the contract period, the minimum annual payment for firm energy shall be proportionately adjusted in the ratio that the number of days water is available for generation of energy in such fractional year bears to three hundred sixty-five (365); provided, however, that in order to afford a reasonable time for the Company to absorb the energy contracted for, the minimum annual payments for the first three (3) years after energy is ready for delivery to The City of Los Angeles (and its Department of Water and Power) as announced by the Secretary in accordance with the provisions of Exhibit "A", shall be as follows, in percentages of the ultimate annual obligation to take and/or pay for firm energy:

First year	55 per cent.
Second year	70 per cent.
Third year	85 per cent.

During said absorption period, if the quantity of energy taken in any one year (June 1 to May 31, inclusive), is in excess of the above percentages of the ultimate annual obligation during such year to take and/or pay for firm energy, such excess shall be paid for at the rate for secondary energy; provided, further, that the minimum annual payment shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article twenty-one (21) hereof.

MONTHLY PAYMENTS AND PENALTIES

18. The Company shall pay monthly for energy in accordance with the rates established or provided for herein. When the energy taken in any month subsequent to the date when the Secrtary announces that one billion two hundred fifty million (1,250,000,000) kilowatt-hours of electrical energy is ready for delivery to The City of Los Angeles (and its Department of Water and Power) is not in excess of one-twelfth (1/12) of the minimum annual obligation, bill for such month shall be computed at the rate for firm energy on the basis of the actual amount of energy used during such month. All energy used during any month in excess of one-twelfth (1/12) of the minimum annual obligation shall be paid for at the rate for secondary energy; provided however, that the rate for secondary energy shall not apply to any energy taken during any month unless and until an amount of energy equivalent to one-twelfth (1/12) of the minimum annual obligation has been taken for all months beginning with the month of June immediately preceding; provided however, that the bill for the month of May shall not be less than the difference between the minimum annual payment, as provided in Article seventeen (17) hereof, and the sum of the amounts charged for firm energy during the preceding eleven (11) months. The United States will submit bills to the Company by the fifth of each month immediately following the month during which the energy is generated, and payments shall be due on the first of the month immediately succeeding. If such charges are not paid when due a penalty of one per centum (1%) of the amount unpaid shall be added thereto, and an additional penalty of one per centum (1%) of the amount unpaid shall be added on the first day of each calendar month thereafter during such delinquency.

NO ENERGY TO BE DELIVERED WITHOUT PAYMENT

19. Unless the written consent of the Secretary be first had and obtained, no electrical energy shall be generated by or for, or delivered to, the Company

if it shall be in arrears for more than twelve (12) months in the payment of any charge and/or penalty due or to become due the United States hereunder.

CONTRACT MAY BE TERMINATED IN CASE OF BREACH

20. If the Company shall be in arrears for more than twelve (12) months in the payment of any charge and/or penalty due or to become due to the United States hereunder, and shall not have obtained an extension of time for payment thereof, or, if such extension be obtained, has not made such payment within the time as extended, then the Secretary reserves the right forthwith upon written notice to the Company to terminate this supplemental contract. In case of disagreement or dispute as to any of the items so to be paid the same shall be determined as provided in Article thirty-two (32) hereof. Nothing contained in this supplemental contract shall relieve the Company from the obligation to make the United States whole, for the period of this supplemental contract, for all loss and/or damage occasioned by the failure of the Company to take and/or pay for energy as provided in this supplemental contract. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any other provisions hereof, or of a subsequent breach of such provision.

INTERRUPTIONS IN DELIVERY OF WATER

21. When available as stated in Article nine (9) hereof the United States will deliver water to the Company continuously, but the United States reserves the right temporarily to discontinue or reduce the delivery of water for the generation of energy at any time, for the purpose of maintenance, repairs and/or replacements, or installation of equipment, and for investigations and inspections necessary thereto; provided however, that the United States shall, except in case of emergency, give the Company reasonable notice in advance of such temporary discontinuance or reduction, and that the United States shall make such inspections and perform such maintenance and repair work after consultation with the Company at such times and in such manner as will cause the least inconvenience to the Company, and shall prosecute such work with diligence, and, without unnecessary delay, will resume delivery of water so discontinued or reduced if and when available as stated in Article nine (9) hereof. Should the delivery of water be discontinued or reduced for any reason below the amount required for the normal generation of firm energy for the payment of which said Company has hereby obligated itself, the total number of hours of such discontinuance or reduction in any year shall be determined by taking the sum of the number of hours during which the delivery of water is totally discontinued, and the product of the number of hours during which the delivery of water is partially reduced and the per-

centage of said partial reduction below the actual quantity of water required by the Company, for the normal generation of firm energy. Total or partial reductions in delivery of water which do not reduce the power output below the amount required at the time by the Company for the normal generation of firm energy, will not be considered in determining the total hours of discontinuance in any year. The minimum annual payment specified in Article seventeen (17) hereof shall be reduced by the ratio that the total number of hours of such discontinuance bears to eight thousand seven hundred sixty (8,760). In no event shall any liability accrue against the United States, its officers, agents and/or employees, for any damage, direct or indirect, arising on account of the failure to deliver water hereunder; nevertheless, interruptions in delivery of water occasioned by such causes shall be governed as hereinabove provided in this article.

MEASUREMENT OF ENERGY

22. All energy generated by means of machinery and equipment leased hereunder shall be measured at generator voltage and suitable metering equipment shall be provided and installed by the United States for this purpose. Suitable correction shall be made in the amounts of energy as measured at generator voltage to cover step-up transformer losses, in determining the amounts of energy delivered at transmission voltage as provided in this supplemental contract. The said meter equipment shall be maintained by and at the expense of the Company. Meters shall be tested at any reasonable time upon the request of either the United States or the Company, and in any event they shall be tested at least once each year. If the test discloses that the error of any meter exceeds one per centum (1%), such meter shall be adjusted so that the error does not exceed one-half of one per centum (½%). Meter equipment shall be tested by means of suitable testing equipment which will be provided by the United States, and which shall be calibrated by the United States Bureau of Standards as often as requested by any party hereto. Meters shall be kept sealed, and the seals shall be broken only in the presence of representatives of both the United States and the Company, and likewise all test of meter equipment shall be conducted only when representatives of both the United States and the Company are present.

RECORD OF ELECTRICAL ENERGY GENERATED

23. The Company shall make full and complete written monthly reports as directed by the Secretary, on forms to be supplied by the United States, of all electrical energy generated by it. Such reports shall be made and delivered to the Director on the third day of the month immediately succeeding the month in which the electrical energy is generated, and the records and data from

which such reports are made shall be accessible to the United States on demand of the Secretary.

INSPECTION BY THE UNITED STATES

24. The Secretary or his representatives shall at all times have the right of ingress to and egress from all works of the Company for the purpose of inspection, repair and maintenance of works of the United States, and for all other proper purposes. The Secretary or his representatives shall also have free access at all reasonable times to the books and records of the Company relating to the generation and transmission of electrical energy hereunder with the right at any time during office hours to make copies of or from the same.

TITLE TO REMAIN IN UNITED STATES

25. As provided by Section six (6) of the Boulder Canyon project act, the title to Boulder Dam, Lake Mead, Boulder Dam power plant and incidental works and equipment installed hereunder, shall forever remain in the United States.

REMEDIES UNDER CONTRACT NOT EXCLUSIVE

26. Nothing contained in this supplemental contract shall be construed as in any manner abridging, limiting or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have.

USE OF PUBLIC AND RESERVED LANDS OF THE UNITED STATES

27. The use is authorized of such public and reserved lands of the United States as may be necessary or convenient for the construction, operation and maintenance of main transmission lines, to transmit electrical energy generated at Boulder Dam, together with the use of such public and reserved lands of the United States as may be designated by the Secretary, from time to time, for camp sites, residences for employees, warehouses and other uses incident to the operation and maintenance of the power plant and incidental works.

PRIORITY OF CLAIMS OF THE UNITED STATES

28. Claims of the United States arising out of this supplemental contract shall have priority over all others, secured or unsecured.

TRANSFER OF INTEREST IN CONTRACT

29. No voluntary transfer of this supplemental contract, or of the rights hereunder, shall be made without the written approval of the Secretary; and

any successor or assign of the rights of the Company, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the provisions of the Boulder Canyon project act, and also subject to all the provisions and conditions of this supplemental contract to the same extent as though such successor or assign were the original contractor hereunder; provided, that a mortgage or trust deed or judicial sales made thereunder shall not be deemed voluntary transfers within the meaning of this article.

RULES AND REGULATIONS

30. This supplemental contract is subject to such rules and regulations conforming to the Boulder Canyon project act as the Secretary may from time to time promulgate; provided, however, that no right of the Company hereunder shall be impaired or obligation of the Company hereunder extended thereby; and provided further, that opportunity for hearing shall be afforded the Company by the Secretary prior to promulgation thereof.

CONTRACT SUBJECT TO COLORADO RIVER COMPACT

31. This supplemental contract is made upon the express condition and with the express understanding that all rights hereunder shall be subject to and controlled by the Colorado River Compact, being the compact or agreement signed at Santa Fe, New Mexico, November 24, 1922, pursuant to Act of Congress approved August 19, 1921, entitled "An act to permit a compact or agreement between the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming, respecting the disposition and apportionment of the waters of the Colorado River, and for other purposes", which Compact was approved in Section 13 (a) of the Boulder Canyon project act.

DISPUTES OR DISAGREEMENTS

32. Disputes or disagreements between the United States and the Company as to the interpretation or performance of the provisions of this supplemental contract shall be determined either by arbitration or court proceedings, the Secretary being authorized to act for the United States in such proceedings. Whenever a controversy arises out of this supplemental contract, and the disputants agree to submit the matter to arbitration, the Company shall name one arbitrator and the Secretary shall name one arbitrator, and the two arbitrators thus chosen shall elect three other arbitrators, but in the event of their failure to name all or any of the three arbitrators within five (5) days after their first meeting, such arbitrators, not so elected, shall be named by the Senior Judge of the United States Circuit Court of Appeals for the Ninth Circuit. The decision of any three of such arbitrators shall be a valid and binding award of the arbitrators.

MODIFICATIONS

33. In the event rates and charges more favorable than those herein required to be paid by the Company are granted to any present allottee or contractor of electrical energy to be developed at Boulder Dam power plant; then, and in such event, the rates and charges herein agreed to be paid by the Company shall be adjusted so that from and after the date such lesser rates and charges become effective the Company shall not be required to pay rates and charges greater than those required to be paid by any present allottee or contractor of electrical energy to be developed at Boulder Dam power plant; provided, however, that the provisions of this article shall not be construed to apply to rates and charges fixed in contracts covering the temporary resale of electrical energy allotted to The Metropolitan Water District of Southern California.

CONTINGENT UPON APPROPRIATIONS

34. This supplemental contract is subject to appropriations being made by Congress from year to year of moneys sufficient to do the work provided for herein, and to there being sufficient moneys available in the Colorado River Dam fund to permit allotments to be made for the performance of such work. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient moneys not being so appropriated or on account of there not being sufficient moneys in the Colorado River Dam fund to permit of said allotments.

OFFICIALS NOT TO BENEFIT

35. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this supplemental contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
(Signed) By: JOHN C. PAGE,
Commissioner, Bureau of Reclamation.

THE NEVADA-CALIFORNIA ELECTRIC CORPORATION,
[SEAL] (Signed) By: A. B. WEST, *President.*

Attest:
(Signed) J. S. BORDWELL,
Assistant Secretary.

CERTIFIED COPY

OF

RESOLUTION ADOPTED BY BOARD OF DIRECTORS

OF

THE NEVADA-CALIFORNIA ELECTRIC CORPORATION

AT A MEETING HELD JULY 16, 1937

WHEREAS, there has been presented and read to the Board of Directors of The Nevada-California Electric Corporation, a certain proposed contract for purchase of electrical energy and providing for the lease of power privileges dated the ..... day of July, 1937, between the United States of America and The Nevada-California Electric Corporation, covering the installation and lease of electrical generating equipment and the delivery of falling water at the Boulder Canyon Dam during the period expiring at the time when Southern California Edison Company, Ltd. is obligated or entitled to take energy at said Dam under the provisions of Exhibit A attached to said contract.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Nevada-California Electric Corporation that the President or any Vice-President and the Secretary or any Assistant Secretary of this Corporation be and each of them is hereby authorized and directed, in the name and on behalf of said Corporation, to make, execute and deliver said contract to the United States of America and to affix and attest the corporate seal of this Corporation to said contract.

I, J. S. Bordwell, Assistant Secretary of The Nevada-California Electric Corporation, do hereby certify that the foregoing is a true and correct copy, and the whole thereof, of a certain resolution adopted at a meeting of the Board of Directors of The Nevada-California Electric Corporation, duly held

on the 16th day of July, 1937, a majority and quorum of said Board being present at said meeting, as the same appears in the official minutes of said meeting.

I further certify that the foregoing resolution was in full force and effect on this 22d day of July, 1937, at the time of the execution of the Supplemental Contract for Lease of Power Privileges between the United States of America and The Nevada-California Electric Corporation, a corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said Corporation this 22d day of July, A. D. 1937.

(Signed) J. S. BORDWELL.

[CORPORATE SEAL]

RESOLUTION

OF

EXECUTIVE COMMITTEE

OF

SOUTHERN CALIFORNIA EDISON COMPANY LTD.

ADOPTED JULY 22, 1937

WHEREAS, there has been submitted to this Company a form of supplemental contract proposed to be entered into by and between the United States of America and The Nevada-California Electric Corporation, designated "SUPPLEMENTAL CONTRACT FOR LEASE OF POWER PRIVILEGES," the first paragraph of which said proposed supplemental contract reads as follows:

> 1. THIS SUPPLEMENTAL CONTRACT, made this.....day of July, nineteen hundred thirty-seven, pursuant to the Act of Congress approved June 17, 1902, (32 Stat., 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat., 1057), designated the Boulder Canyon project act, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by the contracting officer executing this contract, thereunto duly authorized by the Secretary of the Interior, hereinafter styled the Secretary, and THE NEVADA-CALIFORNIA ELECTRIC CORPORATION, a corporation organized and existing under and by virtue of the laws of the State of Delaware, hereinafter referred to as the Company:

and

WHEREAS, said proposed contract provides, among other things, for the installation by the United States of certain machinery and power plant facilities in the power plant constructed at Boulder Dam, and the lease of said machinery by The Nevada-California Electric Corporation for the generation of electrical energy by said corporation prior to the time when Southern California Edison Company Ltd. is obligated or entitled to take energy under its lease contract with the United States, bearing date of April 26, 1930, as

amended, and for the delivery up of said installed and leased machinery to the United States upon the expiration of said supplemental contract for operation by Southern California Edison Company Ltd. in fulfillment of its obligation to generate electrical energy for the use and benefit of The Nevada-California Electric Corporation under that certain contract dated November 5, 1931, between the United States and The Southern Sierras Power Company, which said contract has been assigned to said The Nevada-California Electric Corporation, and for the payment by said corporation of a portion of the cost of the said machinery to be installed and leased under said supplemental contract prior to the time when said payments are due under the said contract of November 5, 1931, above referred to, between the United States and The Southern Sierras Power Company, and

WHEREAS, the United States and The Nevada-California Electric Corporation have requested that Southern California Edison Company Ltd. consent to the above mentioned provisions of said proposed supplemental contract,

NOW, THEREFORE, be it resolved that the President and Secretary, or an Assistant Secretary, of this Corporation be, and they hereby are, authorized for and on behalf of this Corporation and as its act and deed, to execute and attach the seal of this Corporation to an instrument consenting to the aforesaid provisions of said proposed supplemental contract, said instrument to be in words and figures as follows, to-wit:

Southern California Edison Company Ltd. hereby agrees (a) that the machinery and equipment installed by the United States in accordance with the foregoing supplemental contract will, if the same be delivered to it in good operating condition at the expiration of the term of said supplemental contract, be accepted by it as the machinery and equipment to be operated by it for the benefit of The Nevada-California Electric Corporation, as successor in interest of The Southern Sierras Power Company, in fulfillment of its obligations to generate electric energy for the benefit of said Corporation under that certain contract referred to as "Exhibit A" in the foregoing supplemental contract, and in fulfillment of the obligations of the United States thereunder to furnish and install generating equipment for such purpose, and (b) that the annual installments of charges on account of the cost of machinery and equipment agreed to be paid to the United States under the provisions of contract between the United States and The Southern Sierras Power Company, dated November 5, 1931 (Symbol and Number 11r-674), may be accelerated as provided in the foregoing supplemental contract; provided, however, that, except as expressly hereinabove stated, nothing contained in the foregoing supplemental contract, and nothing done thereunder by any of the parties thereto, shall be deemed or construed as a modification or a waiver of any of the provisions of said contract hereinabove described as "Exhibit A."

SOUTHERN CALIFORNIA EDISON COMPANY LTD.,

By .....*President,*

Attest:

.....*Asst. Secretary.*

I, GAIL C. LARKIN, Assistant Secretary of Southern California Edison Company Ltd., do hereby certify that the foregoing is a full, true and correct copy of the resolution of the Executive Committee of said Corporation, adopted at a Special Meeting of said Committee duly called and held on the 22nd day of July, 1937.

Witness my hand and seal of said Corporation this 22nd day of July, 1937.

SOUTHERN CALIFORNIA EDISON COMPANY LTD.,
GAIL C. LARKIN, *Assistant Secretary.*

[CORPORATE SEAL]

Southern California Edison Company Ltd. hereby agrees (a) that the machinery and equipment installed by the United States in accordance with the foregoing supplemental contract will, if the same be delivered to it in good operating condition at the expiration of the term of said supplemental contract, be accepted by it as the machinery and equipment to be operated by it for the benefit of The Nevada-California Electric Corporation, as sucessor in interest of The Southern Sierras Power Company, in fulfillment of its obligations to generate electric energy for the benefit of said Corporation under that certain contract referred to as "Exhibit A" in the foregoing supplemental contract, and in fulfillment of the obligations of the United States thereunder to furnish and install generating equipment for such purpose, and (b) that the annual installments of charges on account of the cost of machinery and equipment agreed to be paid to the United States under the provisions of contract between the United States and The Southern Sierras Power Company, dated November 5, 1931 (Symbol and Number I1r–674), may be accelerated as provided in the foregoing supplemental contract; provided, however, that, except as expressly hereinabove stated, nothing contained in the foregoing supplemental contract, and nothing done thereunder by any of the parties thereto, shall be deemed or construed as a modification or a waiver of any of the provisions of said contract hereinabove described as "Exhibit A."

SOUTHERN CALIFORNIA EDISON COMPANY LTD.
By (Signed) HARRY J. BAUER, *President.*

Attest:

(Signed) E. D. KRACHEY, *Secretary.*

[SEAL]

[ITEM 56]

BOULDER CANYON PROJECT

CONTRACT FOR RESALE OF ELECTRICAL ENERGY TO BE DEVELOPED AT BOULDER DAM POWER PLANT

THE UNITED STATES

AND

NEEDLES GAS & ELECTRIC COMPANY

DECEMBER 28, 1937

(11r–1001)

1. THIS CONTRACT, made this Twenty-Eighth day of December, nineteen hundred thirty-seven, pursuant to the Act of Congress approved June 17, 1902

(32 Stat., 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat., 1057), designated the Boulder Canyon project act, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by Oscar L. Chapman, Assistant Secretary of the Interior, hereinafter styled the Secretary, and NEEDLES GAS & ELECTRIC COMPANY, a corporation organized and existing under and by virtue of the laws of the State of California, hereinafter referred to as the Company:

WITNESSETH:

EXPLANATORY RECITALS

2. WHEREAS, for the purpose of controlling the floods, improving navigation and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters for reclamation of public lands and other beneficial uses exclusively within the United States, and for the generation of electrical energy, the Secretary, subject to the terms of the Colorado River Compact, is authorized to construct, operate and maintain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon, adequate to create a storage reservoir of a capacity of not less than twenty million acre-feet of water; also to construct, equip, operate and maintain at or near said dam, or cause to be constructed, a complete plant and incidental structures suitable for the fullest economic development of electrical energy from the water discharged from said reservoir; and

3. WHEREAS, after full consideration of the advantages of both the Black Canyon and Boulder Canyon dam sites, the Secretary has determined upon Black Canyon as the site of the aforesaid dam, hereinafter styled the Boulder Dam, and has determined that the provisions for revenues made by contracts in accordance with the provisions of the Boulder Canyon project act, are adequate in his judgment to insure payment of all expenses of operation and maintenance of the Boulder Dam and appurtenant works incurred by the United States, and the repayment within fifty (50) years from the date of completion of said works of all amounts advanced to the Colorado River Dam fund under subdivision (b) of Section (2) of the Boulder Canyon project act, together with interest thereon made reimbursable under said Act; and

4. WHEREAS, the United States has entered into a contract of date April 26, 1930, with The City of Los Angeles (hereinafter styled the City) and Southern California Edison Company Ltd., severally (both hereinafter referred to as the lessees) for the lease, and for the operation and maintenance of a government-built power plant to be constructed at Boulder Dam as aforesaid, together with the right to generate electrical energy as therein stated,

a copy of which said lease-contract, as amended by supplemental contracts of dates May 28, 1930, and September 23, 1931, is attached to Exhibit 1 hereof, marked Exhibit "A"; and

5. WHEREAS, in said lease-contract of April 26, 1930, as amended, the Secretary has reserved the authority to, and in consideration of the execution thereof is authorized by each of the aforesaid lessees, severally, to contract with the other allottees named in the allocation set forth therein for the furnishing of energy to such allottees at transmission voltage in accordance with the allocation to each allottee, and the Secretary is therein granted by each lessee, severally, the power in accordance with the provisions thereof to enforce as against each lessee the rights to be acquired by such other allottees by contracts to be entered into with the United States, and in said lease-contract the City has agreed, among other things, to generate energy allocated to The Metropolitan Water District of Southern California, hereinafter referred to as the District; and

6. WHEREAS, the United States has entered into a contract with the District of date April 26, 1930, for the purchase by and delivery to the District under the terms and conditions therein stated of certain electrical energy to be developed at Boulder Dam power plant, a copy of which said contract as amended by supplemental contract of date May 31, 1930, is attached hereto, marked Exhibit 1, and by this reference made a part hereof as fully and completely as though set out herein at length; and

7. WHEREAS, the District will be unable for a period of years from and after the date when it is required to take and/or pay for firm energy under the provisions of said Exhibit 1 hereof to use a portion of such energy for the only purpose for which energy has been allocated to and purchased by the District, namely, for pumping water into and in its aqueduct, and has requested the Secretary to dispose of such excess energy pursuant to and in accordance with the provisions of Article seven (7) of said Exhibit 1 until required by the District; and each lessee under the said lease, marked Exhibit "A" attached to Exhibit 1 hereof, has been given the opportunity, as provided in said Article seven (7) to contract for said unused energy upon the terms and conditions herein stated and has declined to so contract; and

8. WHEREAS, the Company is a public utility engaged in the generation, distribution and sale of electrical energy in the State of California, and has made application to the Secretary for the resale to it for the term of this contract of a part of the firm energy contracted for by the District, but which will not be required, temporarily, for pumping water into and in the aforesaid aqueduct;

9. NOW, THEREFORE, in consideration of the mutual covenants herein contained the parties hereto agree as follows, to wit:

SALE OF ENERGY

10. The United States agrees, subject to all the terms and conditions of Exhibit 1 hereof, that of the firm energy to be developed at Boulder Dam power plant, and heretofore allocated to and contracted for by the District, it will cause to be delivered to the Company for a period beginning on the date when energy is first made available to the District in accordance with the provisions of said Exhibit 1, or eight calendar months after the date of execution hereof by the Secretary, whichever date shall be the later, and ending on and including December 31, 1954, so much firm energy as may be required by the Company for distribution to its customers, not, however, exceeding Twenty Million (20,000,000) kilowatt-hours annually (June 1st to May 31st, inclusive); provied that, upon six months' notice in writing to the Company by the Secretary, the said amount of Twenty Million (20,000,000) kilowatt-hours annually may be reduced to an amount not less than Ten Million (10,000,000) kilowatt-hours annually (June 1st to May 31st, inclusive), and not less than an amount equal to that actually taken by the Company during the twelve months immediately preceding the date of such notice, whichever amount is the greater, subject however to the right on the part of the Company to elect, by written notice delivered to the Secretary not later than thirty days after the receipt of the six months' notice heretofore referred to, to fix said maximum amount at a figure in excess of Ten Million (10,000,000) kilowatt-hours annually, but not exceeding Twenty Million (20,000,000) kilowatt-hours annually, effective as of the date of the election to exercise such option and to continue effective during the remaining term of this contract. In the event that the maximum amount of energy agreed to be delivered hereunder shall be fixed as a result of such six months' notice and/or the exercise of the Company's option, as hereinbefore set out, at an amount exceeding Ten Million (10,000,000) kilowatt-hours annually, the minimum annual payment specified in Article 15 shall be increased as of the effective date of said change, in the ratio that said amount so fixed shall bear to Ten Million (10,000,000) kilowatt-hours annually.

DELIVERY OF ELECTRICAL ENERGY

11. Energy will be delivered to the Company in Nevada at the Pioche switching station at a point to be designated by the Chief Engineer of the Bureau of Reclamation at 66,000 volts in the form of three (3) phase alternating current at a frequency of sixty (60) cycles per second, by means of the 10,000 Kv-a. bank of transformers and the circuit used for delivering electrical energy to the State of Nevada. The Company at its sole cost and expense, and prior to the delivery of energy hereunder, shall furnish and install a high-voltage automatic oil circuit breaker and remote control equip-

ment of a type and in manner satisfactory to the Chief Engineer of the Bureau of Reclamation, at the point where its transmission line connects to the Pioche switching station supplying energy to the State of Nevada. The United States reserves the right to install a separate and additional bank of transformers for the purpose of increasing the voltage of the circuit delivering electrical energy to the State of Nevada, to 132,000 volts. In the event such separate and additional bank of transformers be installed, the Company may either continue to receive electrical energy at 66,000 volts by use of the 10,000 Kv-a. bank of transformers theretofore used for delivering energy to it and to the State of Nevada, or the Company may at its option elect thereafter to receive energy by means of said additional bank of transformers upon concluding appropriate arrangements therefor through the Chief Engineer of the Bureau of Reclamation.

CHARGES TO BE PAID THE UNITED STATES FOR CREDIT TO THE DISTRICT

12. (a) In consideration of this contract, the Company agrees to pay the United States, for credit to the District, for the use of falling water for generation of energy for the Company at the rate of one and sixty-three hundredths mills ($0.00163) per kilowatt-hour (delivered at transmission voltage) and such proportion of the cost incurred by the District for the generation of energy under the provisions of Exhibit 1 hereof as the Company and the District may agree.

(b) The term "cost", as used with reference to generating energy, shall include an equitable allowance for amortization of the cost of machinery and equipment charged to the District under the provisions of Exhibit 1 hereof, a proper proportionate part of any annuity required to be paid by the District under the provisions of Exhibit 1 hereof, for the purpose of making replacements of machinery and equipment, and a proper proportionate part of charges payable by the District under Article twelve of Exhibit 1 hereof for operating such machinery and equipment and keeping the same in repair. The extent of the allowance for the several items in the event of disagreement between the Company and the District, shall be prescribed by the Secretary.

(c) At the end of fifteen (15) years from the date of execution of Exhibit 1 hereof, the above rate of payment for energy may be readjusted, either upward or downward as to price, as the Secretary may find to be justified by competitive conditions at distribution points or competitive centers; provided that such rate for falling water shall not be fixed at any different rate than that charged the District under the provisions of Exhibit 1 hereof for firm energy.

COMPENSATION FOR THE USE OF TRANSFORMER AND RELATED FACILITIES

13. The Company shall pay the United States all costs of transformers and related facilities furnished and installed by the United States for the delivery of electrical energy hereunder, including interest charges at the rate of four per centum (4%) per annum, compounded annually from the date of advances to the Colorado River Dam fund for the purchase of such transformer and related facilities to June 1 of the year next preceding the year when the initial installment becomes due under this article; provided, however, that in event the transformers and related facilities furnished and installed by the United States for the delivery of energy hereunder be used partially for the benefit of others then and in such event the costs thereof shall be apportioned between the Company and such other users on such basis as may be determined by the Secretary to be equitable and just. The costs of transformers and related facilities to be paid by the Company as aforesaid shall be payable in ten (10) equal annual installments, so as to amortize the total cost (including interest as fixed above), and interest thereafter upon the unpaid balance of such costs at the rate of four per centum (4%) per annum. The first installment payable by the Company shall be due on June first next following the date when energy becomes available to the Company under the provisions hereof, and the subsequent nine (9) installments shall be paid on June first of each year thereafter.

MONTHLY PAYMENTS AND PENALTIES

14. The Company shall pay monthly for energy in accordance with the rate established or provided for herein, and for the generation thereof as provided in Article twelve (12) hereof. When energy taken in any month is not in excess of one-twelfth (1/12) of the minimum annual obligation, bill for such month shall be computed at the rate in effect when such energy was taken on the basis of the actual amount of energy used during such month, provided, however, that the bill for the month of May of each year shall not be less than the difference between the minimum annual payment, as provided in Article fifteen (15) hereof, and the sum of the amounts charged for energy during the preceding eleven (11) months. The United States will submit bills to the Company by the fifth of each month immediately following the month during which the energy is generated, and payments shall be due on the first day of the month immediately succeeding. If such charges are not paid when due, a penalty of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional penalty of one per centum (1%) of the amount unpaid shall be added on the first day of each calendar month thereafter during such delinquency. The monthly charge for generation of such energy to be credited to the District shall be in

such amount as may be determined in accordance with Article twelve (12) hereof.

MINIMUM ANNUAL PAYMENT

15. The minimum quantity of energy which the Company shall take and/or pay for each year (June 1st to May 31st, inclusive), under the terms of this contract, and after the same is ready for delivery to the Company, as provided in Article ten (10) hereof, shall be 3,000,000 kilowatt-hours. For a fractional year at the beginning or end of the contract period, the minimum annual payment for energy shall be proportionately adjusted in the ratio that the number of days water is available for generation of energy in such fractional year bears to three hundred sixty-five (365). Provided, that the minimum annual payment shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article nineteen (19) hereof.

NO ENERGY TO BE DELIVERED WITHOUT PAYMENT

16. Unless the written consent of the Secretary be first obtained, no electrical energy shall be generated for, or delivered to, the Company if it shall be in arrears for more than twelve (12) months in the payment of any charge and/or penalty due or to become due the United States hereunder, whether for its own use or for credit to the District.

CONTRACT MAY BE TERMINATED IN CASE OF BREACH

17. If the Company shall be in arrears for more than twelve (12) months in the payment of any charge and/or penalty due or to become due to the United States hereunder (and shall not have obtained an extension of time for payment thereof, or if such extension be obtained, has not made such payment within the time as extended), then the Secretary reserves the right forthwith upon written notice to the Company to terminate this contract, and such remedy shall be deemed to be in addition to any other rights the United States may have hereunder, and not as a limitation or waiver of such other rights. Nothing contained in this contract shall relieve the Company from the obligation to make the United States whole, for the period of this contract, for all loss and/or damage occasioned by the failure of the Company to take and/or pay for energy as provided in this contract.

MEASUREMENT OF ENERGY

18. All energy delivered to the Company will be measured at transmission voltage, and the Company, at its sole cost and expense, and prior to the delivery of energy hereunder, shall furnish and install suitable metering equip-

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ment of a type and in manner satisfactory to the Chief Engineer of the Bureau of Reclamation for this purpose. The said meter equipment shall be maintained by and at the expense of the Company. Meters shall be tested at any reasonable time upon the request of either the United States or the Company, and in any event they shall be tested at least once each year. If the test discloses that the error of any meter exceeds one per centum (1%), such meter shall be adjusted so that the error does not exceed one-half of one per centum (½%). Meter equipment shall be tested by means of suitable testing equipment which will be provided by the United States and which shall be calibrated by the United States Bureau of Standards. Meters shall be kept sealed, and the seals shall be broken only in the presence of representatives of both the United States and the Company, and likewise all tests of meter equipment shall be conducted only when representatives of both the United States and the Company are present.

DELIVERY OF WATER FOR GENERATION OF POWER

19. The United States will operate and maintain Boulder Dam, Lake Mead, pressure tunnels, penstocks to but not inclusive of the shut-off valves at the inlets to the turbine casings, and outlet works, and will deliver water continuously to each lessee of Boulder Dam power plant in the quantity, in the manner, and at the times necessary for the generation of the energy which each of said lessees has the right and/or obligation to generate under the provisions of Exhibit 1 hereof or under this contract in accordance with the load requirements of each of said lessees, and of allottees for which the respective lessees are generating agencies; provided, however, that the aforesaid dam and the reservoir created thereby will be operated and used: First, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of perfected rights in pursuance of Article VIII of the Colorado River Compact; and, third, for power, and this contract is made upon the express condition, and with the express covenant, that the several rights of the lessees and/or the District or the Company to the waters of the Colorado River, or its tributaries, are subject to, and controlled by, the Colorado River Compact. The United States reserves the right temporarily to discontinue or reduce the delivery of water for the generation of energy at any time for the purpose of maintenance, repairs, and/or replacements, or installation of equipment, and for investigations and inspections necessary thereto; provided, however, that the United States shall, except in cases of emergency, give to the lessees reasonable notice in advance of such temporary discontinuance or reduction, and that the United States shall make such inspections and perform such maintenance and repair work after consultation with the lessees at such times and in such manner as will cause the least inconvenience to the lessees, and shall prosecute such work with diligence, and,

without unnecessary delay, will resume delivery of water so discontinued or reduced. Should the delivery of water be discontinued or reduced below the amount required for the normal generation of firm energy as such energy is defined in Article nine (9) of Exhibit 1 hereof for the payment of which the Company has hereby obligated itself, the total number of hours of such discontinuance or reduction in any year shall be determined by taking the sum of the number of hours during which the delivery of water is totally discontinued, and the product of the number of hours during which the delivery of water is partially reduced and the percentage of said partial reduction below the actual quantity of water required by the lessees, severally, for the normal generation of firm energy. Total or partial reductions in delivery of water which do not reduce the power output below the amount required at the time by the City for the normal generation of firm energy, will not be considered in determining the total hours of discontinuance in any year. The minimum annual payment specified in Article fifteen (15) hereof shall be reduced by the ratio that the total number of hours of such discontinuance bears to eight thousand seven hundred sixty (8,760). In no event shall any liability accrue against the United States, its officers, agents and/or employees, for any damage, direct or indirect, arising on account of drought, hostile diversion, Act of God, or of the public enemy, or other similar cause; nevertheless interruptions in delivery of water occasioned by such causes shall be governed as hereinabove provided in this article.

INSPECTION BY THE UNITED STATES

20. The Secretary or his representatives shall at all times have the right of ingress to and egress from all works of the Company for the purpose of inspection, repair and maintenance of works of the United States, and for all other proper purposes. The Secretary or his representatives shall also have free access at all reasonable times to the books and records of the Company relating to the receipt and transmission of electrical energy hereunder with the right at any time during office hours to make copies of or from the same.

TITLE TO REMAIN IN THE UNITED STATES

21. As provided by Section six (6) of the Boulder Canyon project act, the title to Boulder Dam, Lake Mead, Boulder Dam power plant and incidental works and equipment installed hereunder, shall forever remain in the United States.

PRIORITY OF CLAIMS OF THE UNITED STATES

22. Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured.

RULES AND REGULATIONS

23. This contract is subject to such rules and regulations conforming to the Boulder Canyon project act as the Secretary may from time to time promulgate; provided, however, that no right of the Company hereunder shall be impaired or obligation of the Company hereunder extended thereby, and provided further, that opportunity for hearing shall be afforded the Company by the Secretary prior to promulgation thereof.

CONTRACT SUBJECT TO COLORADO RIVER COMPACT

24. This contract is made upon the express condition and with the express understanding that all rights hereunder shall be subject to and controlled by the Colorado River Compact, being the compact or agreement signed at Santa Fe, New Mexico, November 24, 1922, pursuant to Act of Congress approved August 19, 1921, entitled "An act to permit a compact or agreement between the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming, respecting the disposition and apportionment of the waters of the Colorado River, and for other purposes," which Compact was approved in Section 13 (a) of the Boulder Canyon project act.

REMEDIES UNDER CONTRACT NOT EXCLUSIVE

25. Nothing contained in this contract shall be construed as in any manner abridging, limiting or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any other provision hereof or of a subsequent breach of such provision.

USE OF PUBLIC AND RESERVED LANDS OF THE UNITED STATES

26. The use is authorized of such public and reserved lands of the United States as may be necessary or convenient for the construction, operation and maintenance of main transmission lines, to transmit electrical energy generated at Boulder Dam.

TRANSFER OF INTEREST IN CONTRACT

27. No voluntary transfer of this contract, or of the rights hereunder, shall be made without the written approval of the Secretary; and any successor or assign of the rights of the Company, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the provisions of the Boulder Canyon project act, and also subject to all the provisions and condi-

tions of this contract to the same extent as though such successor or assign were the original contractor hereunder; provided, that a mortgage or trust deed or judicial sale made thereunder shall not be deemed voluntary transfers within the meaning of this article.

MODIFICATIONS

28. In the event rates and charges more favorable than those herein required to be paid by the Company are granted to the District for firm energy; then, and in such event, the rates and charges herein agreed to be paid by the Company shall be adjusted so that from and after the date such lesser rates and charges become effective the Company shall not be required to pay rates and charges greater than those required to be paid by the District under the provisions of Exhibit "1" hereof; provided, however, that the provisions of this article shall not apply to any load building arrangement, heretofore or hereafter granted the District.

DISPUTES OR DISAGREEMENTS

29. (a) Disputes or disagreements between the United States and the Company as to the interpretation or performance of the provisions of this contract shall be determined either by arbitration or court proceedings, the Secretary being authorized to act for the United States in such proceedings. Whenever a controversy arises out of this contract, and the disputants agree to submit the matter to arbitration, the Company shall name one arbitrator and the Secretary shall name one arbitrator, and the two arbitrators thus chosen shall elect three other arbitrators, but in the event of their failure to name all or any of the three arbitrators within five (5) days after their first meeting, such arbitrators, not so elected, shall be named by the Senior Judge of the United States Circuit Court of Appeals for the Ninth Circuit. The decision of any three of such arbitrators shall be a valid and binding award of the arbitrators.

(b) Disputes or disagreements arising out of this contract between the Company and either lessee or other allottee shall, provided such lessee or allottee accepts the provisions of this paragraph, be arbitrated by three (3) arbitrators, but only in case where it is not provided herein that the determination shall be made by the Secretary. The Company shall name one (1) arbitrator, and the other disputant shall name one (1). These two shall name the third. If either disputant has notified the other that arbitration is demanded and that it has named an arbitrator, the Secretary, if requested by either disputant shall name such arbitrator, who shall proceed as though named by the disputant. The two (2) arbitrators so named shall meet within five (5) days after appointment of the second, and name the third. If they fail to do so, the Secretary will, on request by either disputant or arbitrator, name the

third. A decision by any two (2) of the three (3) arbitrators shall be binding on the disputants and enforceable by court proceedings, or by the Secretary in his discretion. Arbitration as herein provided, or the failure of the arbitrators to render a decision within six (6) months of appointment of the third arbitrator, shall be a condition precedent to suit by either disputant against the other upon the matter in dispute.

CONTINGENT UPON APPROPRIATIONS

30. This contract is subject to appropriations being made by Congress from year to year of moneys sufficient to do the work provided for herein, and to there being sufficient moneys available in the Colorado River Dam fund to permit allotments to be made for the performance of such work. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient moneys not being so appropriated or on account of there not being sufficient moneys in the Colorado River Dam fund to permit of said allotments.

31. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By OSCAR L. CHAPMAN,
Assistant Secretary of the Interior.

NEEDLES GAS & ELECTRIC COMPANY,
By J. A. WARD, *President.*

Attest:

W. E. HAMMER, *Asst. Secretary.*

[CORPORATE SEAL]

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, a public corporation organized and existing under and by virtue of the laws of the State of California, as evidence of its consent to and approval of this contract, has caused its corporate name to be subscribed hereto by its officers thereunto duly authorized as of the day and year first above written.

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA,
By JULIAN HINDS,
Assistant Chief Engineer.

Attest:

A. L. GRAM,
Executive Secretary of The Metropolitan Water District of Southern California.

[CORPORATE SEAL]

Approved as to form and execution:
JAMES H. HOWARD, *General Counsel.*

CERTIFICATE

I, W. E. HAMMER, Assistant Secretary of Needles Gas and Electric Company, a corporation organized under and by virtue of the laws of the State of California, do hereby certify that at a special meeting of the Board of Directors of said Company held pursuant to the written consent of all of the directors of said company at San Francisco, California, on the 28th day of December, 1937, a resolution was adopted, of which the following is a full, true and correct copy:

> The president exhibited to the Board a draft of proposed contract between the United States of America and the corporation, providing, among other things, for the resale of electrical energy to be developed at Boulder Dam Power Plant, which form of agreement he stated had been the subject of negotiations for many weeks between the officers of the corporation and representatives of the United States of America, and the form of which proposed agreement he stated had been approved by counsel for the corporation. Thereupon, after discussion, on motion duly made and seconded and unanimously carried, it was
>
> RESOLVED, That the president or vice president of the corporation be, and he is hereby, authorized to execute in triplicate, for and on behalf of the corporation and in its name, a contract, in the form submitted to this Board, between the United States of America and the corporation, for the resale of electrical energy to be developed at Boulder Dam Power Plant; and the secretary or assistant secretary of the corporation be, and he is hereby, authorized and directed to affix to each of said counterparts of said contract the corporate seal of the corporation and to attest the same.
>
> RESOLVED, FURTHER, That the officers of the corporation are hereby authorized and empowered to deliver said contract, when so executed, sealed and attested on behalf of this corporation, to representatives of the United States of America, and are further authorized to take any and all steps and to execute any and all instruments necessary or advisable in their judgment in order to effectuate the execution of said contract and the performance of its terms."

I further certify that on the 28th day of December, 1937, the above resolution was still in full force and effect, and that on the said 28th day of December, 1937, Mr. J. A. Ward was the president of said company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said company, this 28th day of December, 1937.

W. E. HAMMER, *Assistant Secretary.*

[CORPORATE SEAL]

RESOLUTION NO. 2598

WHEREAS, The United States of America proposes to enter into a contract with Needles Gas & Electric Company, under date of December 28, 1937, for the sale of electrical energy to be generated at Boulder Dam power plant and allotted to The Metropolitan Water District of Southern California, in the form submitted with the letter from the General Manager and Chief Engineer to this Board, dated December 31, 1937; and

WHEREAS, it has been found by this Board that the interests of the District will be best served if said contract is entered into.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of The Metropolitan Water District of Southern California, that the General Manager and Chief Engineer of the District be, and he hereby is, authorized and directed to execute the consent to, and approval of, said contract, attached thereto, and that the Executive Secretary of the District be, and he hereby is, authorized and directed to attest the signature of the General Manager and Chief Engineer and to affix to said consent the corporate seal of the District.

I HEREBY CERTIFY, that the foregoing is a full, true and correct copy of a resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California at its meeting held December 31, 1937.

A. L. GRAM,
Executive Secretary of the Metropolitan Water District of Southern California.

[SEAL]

ORDINANCE NO. 39

AN ORDINANCE CREATING THE OFFICE OF ASSISTANT CHIEF ENGINEER OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, PRESCRIBING THE POWERS, DUTIES AND COMPENSATION OF SUCH OFFICER, AND PROVIDING THE MANNER OF HIS APPOINTMENT AND REMOVAL, AND REPEALING CERTAIN INCONSISTENT ORDINANCES, INCLUDING ORDINANCES NUMBERED 35 AND 37.

The Board of Directors of The Metropolitan Water District of Southern California does ordain as follows:

SECTION 1. There is hereby created the office of Assistant Chief Engineer of The Metropolitan Water District of Southern California.

SECTION 2. The Assistant Chief Engineer shall be appointed and may be removed by the General Manager and Chief Engineer. In case of the death, resignation, removal, absence or sickness of the General Manager and Chief Engineer and of the Assistant General Manager, or the inability of both of them, for any reason, to make such appointment, the Board of Directors shall appoint, and may remove, such Assistant Chief Engineer, but such appointee may also be removed by the General Manager and Chief Engineer.

SECTION 3. The Assistant Chief Engineer shall perform such duties and render such services to the District as may be prescribed and assigned to him by the General Manager and Chief Engineer, with like effect as though such duties or services were performed or rendered in person by the General Manager and Chief Engineer.

SECTION 4. During the absence or disability of the General Manager and Chief Engineer and of the Assistant General Manager, or the inability of both of them for any reason to act in person, or in case of the death, resignation or removal of both of them, until the appointment and qualification of the successor of either of them, the Assistant Chief Engineer, in his own name, shall perform all of the duties and exercise all of the powers of the General Manager and Chief Engineer.

SECTION 5. The Assistant Chief Engineer shall receive such compensation as shall be provided in the salary scale approved by the Board of Directors under and pursuant to Ordinance No. 29.

SECTION 6. Ordinances numbered 35 and 37, and all other ordinances, or parts of ordinances, in conflict with this ordinance, shall be, and the same hereby are, repealed.

SECTION 7. The Secretary of the Board of Directors shall certify to the passage of this ordinance.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of an ordinance adopted by the Board of Directors of The Metropolitan Water District of Southern California, at its meeting held July 28, 1933.

A. L. GRAM,
Executive Secretary of the Metropolitan Water District of Southern California.

[SEAL]

[ITEM 57]

BOULDER CANYON PROJECT

CONTRACT FOR RESALE OF ELECTRICAL ENERGY TO BE DEVELOPED AT BOULDER DAM POWER PLANT

THE UNITED STATES

AND

CITIZENS UTILITIES COMPANY

JANUARY 7, 1938

(I1r–1009)

1. THIS CONTRACT, made this 7th day of January, nineteen hundred thirty-eight, pursuant to the Act of Congress approved June 17, 1902 (32 Stat.,

388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat., 1057), designated the Boulder Canyon project act, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by Oscar L. Chapman, Assistant Secretary of the Interior, hereinafter styled the Secretary, and CITIZENS UTILITIES COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Delaware, hereinafter referred to as the Company:

WITNESSETH:

EXPLANATORY RECITALS

2. WHEREAS, for the purpose of controlling the floods, improving navigation and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters for reclamation of public lands and other beneficial uses exclusively within the United States, and for the generation of electrical energy, the Secretary, subject to the terms of the Colorado River Compact, is authorized to construct, operate and maintain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon, adequate to create a storage reservoir of a capacity of not less than twenty million acre-feet of water; also to construct, equip, operate and maintain at or near said dam, or cause to be constructed, a complete plant and incidental structures suitable for the fullest economic development of electrical energy from the water discharged from said reservoir; and

3. WHEREAS, after full consideration of the advantages of both the Black Canyon and Boulder Canyon dam sites, the Secretary has determined upon Black Canyon as the site of the aforesaid dam, hereinafter styled the Boulder Dam, and has determined that the provisions for revenues made by contracts in accordance with the provisions of the Boulder Canyon project act, are adequate in his judgment to insure payment of all expenses of operation and maintenance of the Boulder Dam and appurtenant works incurred by the United States, and the repayment within fifty (50) years from the date of completion of said works of all amounts advanced to the Colorado River Dam fund under subdivision (b) of Section two (2) of the Boulder Canyon project act, together with interest thereon made reimbursable under said Act; and

4. WHEREAS, the United States has entered into a contract of date April 26, 1930, with The City of Los Angeles (hereinafter styled the City) and Southern California Edison Company Ltd., severally (both hereinafter referred to as the lessees) for the lease, and for the operation and maintenance of a government-built power plant to be constructed at Boulder Dam as aforesaid, together with the right to generate electrical energy as therein stated,

a copy of which said lease-contract, as amended by supplemental contracts of dates May 28, 1930, and September 23, 1931, is attached to Exhibit 1 hereof, marked Exhibit "A"; and

5. WHEREAS, in said lease-contract of April 26, 1930, as amended, the Secretary has reserved the authority to, and in consideration of the execution thereof is authorized by each of the aforesaid lessees, severally, to contract with the other allottees named in the allocation set forth therein for the furnishing of energy to such allottees at transmission voltage in accordance with the allocation to each allottee, and the Secretary is therein granted by each lessee, severally, the power in accordance with the provisions thereof to enforce as against each lessee the rights to be acquired by such other allottees by contracts to be entered into with the United States, and in said lease-contract the City has agreed, among other things, to generate energy allocated to The Metropolitan Water District of Southern California, hereinafter referred to as the District; and

6. WHEREAS, the United States has entered into a contract with the District of date April 26, 1930, for the purchase by and delivery to the District under the terms and conditions therein stated of certain electrical energy to be developed at Boulder Dam power plant, a copy of which said contract as amended by supplemental contract of date May 31, 1930, is attached hereto, marked Exhibit 1, and by this reference made a part hereof as fully and completely as though set out herein at length; and

7. WHEREAS, the District will be unable for a period of years from and after the date when it is required to take and/or pay for firm energy under the provisions of said Exhibit 1 hereof to use a portion of such energy for the only purpose for which energy has been allocated to and purchased by the District, namely, for pumping water into and in its aqueduct, and has requested the Secretary to dispose of such excess energy pursuant to and in accordance with the provisions of Article seven (7) of said Exhibit 1 until required by the District; and each lessee under the said lease, marked Exhibit A attached to Exhibit 1 hereof, has been given the opportunity, as provided in said Article seven (7) to contract for said unused energy upon the terms and conditions herein stated and has declined to so contract; and

8. WHEREAS, the Company is a public utility engaged in the generation, distribution and sale of electrical energy in the State of Arizona, and has made application to the Secretary for the resale to it for the term of this contract of a part of the firm energy contracted for by the District, but which will not be required, temporarily, for pumping water into and in the aforesaid aqueduct;

9. NOW, THEREFORE, in consideration of the mutual covenants herein contained the parties hereto agree as follows, to wit:

SALE OF ENERGY

10. The United States agrees, subject to all the terms and conditions of Exhibit 1 hereof, that of the firm energy to be developed at Boulder Dam power plant, and heretofore allocated to and contracted for by the District, it will cause to be delivered to the Company for a period beginning on the date when energy is first made available to the District in accordance with the provisions of said Exhibit 1, or eight calendar months after the date of execution hereof by the Secretary, whichever date shall be the later, and ending on and including December 31, 1954, so much firm energy as may be required by the Company for distribution to its customers, not, however, exceeding Fifty Million (50,000,000) kilowatt-hours annually (June 1st to May 31st, inclusive); provided that, upon six months' notice in writing to the Company by the Secretary, the said amount of Fifty Million (50,000,000) kilowatt-hours annually may be reduced to an amount not less than Twenty-five Million (25,000,000) kilowatt-hours annually (June 1st to May 31st, inclusive), and not less than an amount equal to that actually taken by the Company during the twelve months immediately preceding the date of such notice, whichever amount is the greater, subject however to the right on the part of the Company to elect, by written notice delivered to the Secretary not later than thirty days after the receipt of the six months' notice heretofore referred to, to fix said maximum amount at a figure in excess of Twenty-five Million (25,000,000) kilowatt-hours annually, but not exceeding Fifty Million (50,000,000) kilowatt-hours annually, effective as of the date of the election to exercise such option and to continue effective during the remaining terms of this contract. In the event that the maximum amount of energy agreed to be delivered hereunder shall be fixed as a result of such six months' notice and/or the exercise of the Company's option, as hereinbefore set out, at an amount exceeding Twenty-five Million (25,000,000) kilowatt-hours annually, the minimum annual payment specified in Article 15 shall be increased as of the effective date of said change, in the ratio that said amount so fixed shall bear to Twenty-five Million (25,000,000) kilowatt-hours annually.

DELIVERY OF ELECTRICAL ENERGY

11. Energy will be delivered to the Company in Arizona at a point to be designated by the Chief Engineer of the Bureau of Reclamation, at 66,000 volts in the form of three (3) phase alternating current at a frequency of sixty (60) cycles per second by means of the 10,000 kv-a. bank of transformers and the circuit used for delivering electrical energy to the State of Nevada. The Company at its sole cost and expense, *and prior to the delivery of energy hereunder,* shall furnish and install a high voltage automatic oil

circuit breaker and remote control equipment of a type and in manner satisfactory to the Chief Engineer of the Bureau of Reclamation, at the point where its transmission line connects to the circuit supplying energy to the State of Nevada. The United States reserves the right to install a separate and additional bank of transformers for the purpose of increasing the voltage of the circuit delivering electrical energy to the State of Nevada, to 132,000 volts. In the event such separate and additional bank of transformers be installed the Company may either continue to receive electrical energy at 66,000 volts by use of the 10,000 kv-a. bank of transformers theretofore used for delivering energy to it and to the State of Nevada, or the Company may at its option elect thereafter to receive energy by means of said additional bank of transformers upon concluding appropriate arrangements therefor through the Chief Engineer of the Bureau of Reclamation.

CHARGES TO BE PAID THE UNITED STATES FOR CREDIT TO THE DISTRICT

12. (a) In consideration of this contract, the Company agrees to pay the United States, for credit to the District, for the use of falling water for generation of energy for the Company at the rate of one and sixty-three hundredths mills ($0.00163) per kilowatt-hour (delivered at transmission voltage) and such proportion of the cost incurred by the District for the generation of energy under the provisions of Exhibit 1 hereof as the Company and the District may agree.

(b) The term "cost," as used with reference to generating energy, shall include an equitable allowance for amortization of the cost of machinery and equipment charged to the District under the provisions of Exhibit 1 hereof, a proper proportionate part of any annuity required to be paid by the District under the provisions of Exhibit 1 hereof, for the purpose of making replacements of machinery and equipment, and a proper proportionate part of charges payable by the District under Article twelve of Exhibit 1 hereof for operating such machinery and equipment and keeping the same in repair. The extent of the allowance for the several items in the event of disagreement between the Company and the District, shall be prescribed by the Secretary.

(c) At the end of fifteen (15) years from the date of execution of Exhibit 1 hereof, the above rate of payment for energy may be readjusted, either upward or downward as to price, as the Secretary may find to be justified by competitive conditions at distribution points or competitive centers; provided that such rate for falling water shall not be fixed at any different rate than that charged the District under the provisions of Exhibit 1 hereof for firm energy.

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COMPENSATION FOR THE USE OF TRANSFORMER AND RELATED FACILITIES

13. The Company shall pay the United States all costs of transformers and related facilities furnished and installed by the United States for the delivery of electrical energy hereunder, including interest charges at the rate of four per centum (4%) per annum, compounded annually from the date of advances to the Colorado River Dam fund for the purchase of such transformer and related facilities to June 1 of the year next preceding the year when the initial installment becomes due under this article; provided, however, that in event the transformers and related facilities furnished and installed by the United States for the delivery of energy hereunder be used partially for the benefit of others then and in such event the costs thereof shall be apportioned between the Company and such other users on such basis as may be determined by the Secretary to be equitable and just. The costs of transformers and related facilities to be paid by the Company as aforesaid shall be payable in ten (10) equal annual installments, so as to amortize the total cost (including interest as fixed above), and interest thereafter upon the unpaid balance of such costs at the rate of four per centum (4%) per annum. The first installment payable by the Company shall be due on June first next following the date when energy becomes available to the Company under the provisions hereof, and the susequent nine (9) installments shall be paid on June first of each year thereafter.

MONTHLY PAYMENTS AND PENALTIES

14. The Company shall pay monthly for energy in accordance with the rate established or provided for herein, and for the generation thereof as provided in Article twelve (12) hereof. When energy taken in any month is not in excess of one-twelfth (1/12) of the minimum annual obligation, bill for such month shall be computed at the rate in effect when such energy was taken on the basis of the actual amount of energy used during such month, provided, however, that the bill for the month of May of each year shall not be less than the difference between the minimum annual payment, as provided in Article fifteen (15) hereof, and the sum of the amounts charged for energy during the preceding eleven (11) months. The United States will submit bills to the Company by the fifth of each month immediately following the month during which the energy is generated, and payments shall be due on the first day of the month immediately succeeding. If such charges are not paid when due, a penalty of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional penalty of one per centum (1%) of the amount unpaid shall be added on the first day of each calendar month thereafter during such delinquency. The monthly charge for generation of such energy to be credited to the District shall be in such amount as may be determined in accordance with Article twelve (12) hereof.

MINIMUM ANNUAL PAYMENT

15. The minimum quantity of energy which the Company shall take and/or pay for each year (June 1st to May 31st, inclusive), under the terms of this contract, and after the same is ready for delivery to the Company, as provided in Article ten (10) hereof, shall be 7,670,000 kilowatt-hours. For a fractional year at the beginning or end of the contract period, the minimum annual payment for energy shall be proportionately adjusted in the ratio that the number of days water is available for generation of energy in such fractional year bears to three hundred sixty-five (365). Provided, that the minimum annual payment shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article nineteen (19) hereof.

NO ENERGY TO BE DELIVERED WITHOUT PAYMENT

16. Unless the written consent of the Secretary be first obtained, no electrical energy shall be generated for, or delivered to, the Company if it shall be in arrears for more than twelve (12) months in the payment of any charge and/or penalty due or to become due the United States hereunder, whether for its own use or for credit to the District.

CONTRACT MAY BE TERMINATED IN CASE OF BREACH

17. If the Company shall be in arrears for more than twelve (12) months in the payment of any charge and/or penalty due or to become due to the United States hereunder (and shall not have obtained an extension of time for payment thereof, or if such extension be obtained, has not made such payment within the time as extended), then the Secretary reserves the right forthwith upon written notice to the Company to terminate this contract, and such remedy shall be deemed to be in addition to any other rights the United States may have hereunder, and not as a limitation or waiver of such other rights. Nothing contained in this contract shall relieve the Company from the obligation to make the United States whole, for the period of this contract, for all loss and/or damage occasioned by the failure of the Company to take and/or pay for energy as provided in this contract.

MEASUREMENT OF ENERGY

18. All energy delivered to the Company will be measured at transmission voltage, and the Company, at its sole cost and expense, and prior to the delivery of energy hereunder, shall furnish and install suitable metering equipment of a type and in manner satisfactory to the Chief Engineer of the Bureau of Reclamation for this purpose. The said meter equipment shall be maintained by and at the expense of the Company. Meters shall be tested at

any reasonable time upon the request of either the United States or the Company, and in any event they shall be tested at least once each year. If the test discloses that the error of any meter exceeds one per centum (1%), such meter shall be adjusted so that the error does not exceed one-half of one per centum (½%). Meter equipment shall be tested by means of suitable testing equipment which will be provided by the United States and which shall be calibrated by the United States Bureau of Standards. Meters shall be kept sealed, and the seals shall be broken only in the presence of representatives of both the United States and the Company, and likewise all tests of meter equipment shall be conducted only when representatives of both the United States and the Company are present.

DELIVERY OF WATER FOR GENERATION OF POWER

19. The United States will operate and maintain Boulder Dam, Lake Mead, pressure tunnels, penstocks to but not inclusive of the shut-off valves at the inlets to the turbine casings, and outlet works, and will deliver water continuously to each lessee of Boulder Dam power plant in the quantity, in the manner, and at the times necessary for the generation of the energy which each of said lessees has the right and/or obligation to generate under the provisions of Exhibit 1 hereof or under this contract in accordance with the load requirements of each of said lessees, and of allottees for which the respective lessees are generating agencies; provided, however, that the aforesaid dam and the reservoir created thereby will be operated and used: First, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of perfected rights in pursuance of Article VIII of the Colorado River Compact; and, third, for power, and this contract is made upon the express condition, and with the express covenant, that the several rights of the lessees and/or the District or the Company to the waters of the Colorado River, or its tributaries, are subject to, and controlled by, the Colorado River Compact. The United States reserves the right temporarily to discontinue or reduce the delivery of water for the generation of energy at any time for the purpose of maintenance, repairs, and/or replacements, or installation of equipment, and for investigations and inspections necessary thereto; provided, however, that the United States shall, except in cases of emergency, give to the lessees reasonable notice in advance of such temporary discontinuance or reduction, and that the United States shall make such inspections and perform such maintenance and repair work after consultation with the lessees at such times and in such manner as will cause the least inconvenience to the lessees, and shall prosecute such work with diligence, and, without unnecessary delay, will resume delivery of water so discontinued or reduced. Should the delivery of water be discontinued or reduced below the amount required for the normal generation of firm

energy as such energy is defined in Article nine (9) of Exhibit 1 hereof for the payment of which the Company has hereby obligated itself, the total number of hours of such discontinuance or reduction in any year shall be determined by taking the sum of the number of hours during which the delivery of water is totally discontinued, and the product of the number of hours during which the delivery of water is partially reduced and the percentage of said partial reduction below the actual quantity of water required by the lessees, severally, for the normal generation of firm energy. Total or partial reductions in delivery of water which do not reduce the power output below the amount required at the time by the City for the normal generation of firm energy, will not be considered in determining the total hours of discontinuance in any year. The minimum annual payment specified in Article fifteen (15) hereof shall be reduced by the ratio that the total number of hours of such discontinuance bears to eight thousand seven hundred sixty (8,760). In no event shall any liability accrue against the United States, its officers, agents and/or employees, for any damage, direct or indirect, arising on account of drought, hostile diversion, Act of God, or of the public enemy, or other similar cause; nevertheless interruptions in delivery of water occasioned by such causes shall be governed as hereinabove provided in this article.

INSPECTION BY THE UNITED STATES

20. The Secretary or his representatives shall at all times have the right of ingress to and egress from all works of the Company for the purpose of inspection, repair and maintenance of works of the United States, and for all other proper purposes. The Secretary or his representatives shall also have free access at all reasonable times to the books and records of the Company relating to the receipt and transmission of electrical energy hereunder with the right at any time during office hours to make copies of or from the same.

TITLE TO REMAIN IN THE UNITED STATES

21. As provided by Section six (6) of the Boulder Canyon project act, the title to Boulder Dam, Lake Mead, Boulder Dam power plant and incidental works and equipment installed hereunder, shall forever remain in the United States.

PRIORITY OF CLAIMS OF THE UNITED STATES

22. Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured.

RULES AND REGULATIONS

23. This contract is subject to such rules and regulations conforming to the Boulder Canyon project act as the Secretary may from time to time promul-

gate; provided, however, that no right of the Company hereunder shall be impaired or obligation of the Company hereunder extended thereby, and provided further, that opportunity for hearing shall be afforded the Company by the Secretary prior to promulgation thereof.

CONTRACT SUBJECT TO COLORADO RIVER COMPACT

24. This contract is made upon the express condition and with the express understanding that all rights hereunder shall be subject to and controlled by the Colorado River Compact, being the compact or agreement signed at Santa Fe, New Mexico, November 24, 1922, pursuant to Act of Congress approved August 19, 1921, entitled "An act to permit a compact or agreement between the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming, respecting the disposition and apportionment of the waters of the Colorado River, and for other purposes," which Compact was approved in Section 13 (a) of the Boulder Canyon project act.

REMEDIES UNDER CONTRACT NOT EXCLUSIVE

25. Nothing contained in this contract shall be construed as in any manner abridging, limiting or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any other provision hereof or of a subsequent breach of such provision.

USE OF PUBLIC AND RESERVED LANDS OF THE UNITED STATES

26. The use is authorized of such public and reserved lands of the United States as may be necessary or convenient for the construction, operation and maintenance of main transmission lines, to transmit electrical energy generated at Boulder Dam.

TRANSFER OF INTEREST IN CONTRACT

27. No voluntary transfer of this contract, or of the rights hereunder, shall be made without the written approval of the Secretary; and any successor or assign of the rights of the Company, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the provisions of the Boulder Canyon project act, and also subject to all the provisions and conditions of this contract to the same extent as though such successor or assign were the original contractor hereunder; provided, that a mortgage or trust deed or judicial sale made thereunder shall not be deemed voluntary transfers within the meaning of this article.

MODIFICATIONS

28. In the event rates and charges more favorable than those herein required to be paid by the Company are granted to the District for firm energy; then, and in such event, the rates and charges herein agreed to be paid by the Company shall be adjusted so that from and after the date such lesser rates and charges become effective the Company shall not be required to pay rates and charges greater than those required to be paid by the District under the provisions of Exhibit "1" hereof; provided, however, that the provisions of this article shall not apply to any load building arrangement, heretofore or hereafter granted the District.

DISPUTES OR DISAGREEMENTS

29. (a) Disputes or disagreements between the United States and the Company as to the interpretation or performance of the provisions of this contract shall be determined either by arbitration or court proceedings, the Secretary being authorized to act for the United States in such proceedings. Whenever a controversy arises out of this contract, and the disputants agree to submit the matter to arbitration, the Company shall name one arbitrator and the Secretary shall name one arbitrator, and the two arbitrators thus chosen shall elect three other arbitrators, but in the event of their failure to name all or any of the three arbitrators within five (5) days after their first meeting, such arbitrators, not so elected, shall be named by the Senior Judge of the United States Circuit Court of Appeals for the Ninth Circuit. The decision of any three of such arbitrators shall be a valid and binding award of the arbitrators.

(b) Disputes or disagreements arising out of this contract between the Company and either lessee or other allottee shall, provided such lessee or allottee accepts the provisions of this paragraph, be arbitrated by three (3) arbitrators, but only in case where it is not provided herein that the determination shall be made by the Secretary. The Company shall name one (1) arbitrator, and the other disputant shall name one (1). These two shall name the third. If either disputant has notified the other that arbitration is demanded and that it has named an arbitrator, the Secretary, if requested by either disputant shall name such arbitrator, who shall proceed as though named by the disputant. The two (2) arbitrators so named shall meet within five (5) days after appointment of the second, and name the third. If they fail to do so, the Secretary will, on request by either disputant or arbitrator, name the third. A decision by any two (2) of the three (3) arbitrators shall be binding on the disputants and enforceable by court proceedings, or by the Secretary in his discretion. Arbitration as herein provided, or the failure of the arbitrators to render a decision within six (6) months of appointment of

the third arbitrator, shall be a condition precedent to suit by either disputant against the other upon the matter in dispute.

CONTINGENT UPON APPROPRIATIONS

30. This contract is subject to appropriations being made by Congress from year to year of moneys sufficient to do the work provided for herein, and to there being sufficient moneys available in the Colorado River Dam fund to permit allotments to be made for the performance of such work. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient moneys not being so appropriated or on account of there not being sufficient moneys in the Colorado River Dam fund to permit of said allotments.

OFFICIALS NOT TO BENEFIT

31. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By OSCAR L. CHAPMAN,
Assistant Secretary of the Interior.

CITIZENS UTILITY COMPANY,
By JOSEPH CHAPMAN, *President.*

[SEAL]

Attest:
H. F. WELCH, *Secretary*

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, a public corporation organized and existing under and by virtue of the laws of the State of California, as evidence of its consent to and approval of this contract, has caused its corporate name to be subscribed hereto by its officers thereunto duly authorized as of the day and year first above written.

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA,
By JULIAN HINDS,
Assistant Chief Engineer.

[SEAL]

Attest:
A. L. GRAM,
Executive Secretary of the Metropolitan Water District of Southern California.

Approved as to form and execution.
J. L. HOWARD, *General Counsel.*

CERTIFICATE

I, H. F. WELCH, Secretary of Citizens Utilities Company, a corporation organized under and by virtue of the laws of the State of Delaware, do hereby certify that at a duly called meeting of the Board of Directors of said company, at which a quorum of said directors was present, held at New York City, on the 1st day of December, 1937, a resolution was adopted, of which the following is a full, true and correct copy:

> WHEREAS, The Chairman had previously sent to all Directors of this Corporation a copy of a proposed contract, a copy of which is attached and made a part hereof, to be entered into by this Corporation and the United States Government for the purchase by the former from the latter of electric power generated at Boulder Canyon Project, Arizona, California and Nevada.
>
> NOW, THEREFORE, BE IT RESOLVED, That Joseph Chapman, President or R. J. Andrus, Vice President, and H. F. Welch, Secretary be and they hereby are authorized to execute in behalf of this Corporation said contract substantially in accordance with the copy attached.

And, I further certify that the attached copy of the proposed contract between Citizens Utilities Company and the United States Government is a true and correct copy of the one referred to in the above resolution.

I further certify that on the 7th day of January, 1938, the above resolution was still in full force and effect, and that on the said 7th day of January, 1938, Joseph Chapman was the President of said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said company, this 7th day of January, 1938.

H. F. WELCH, *Secretary.*

[SEAL]

RESOLUTION No. 2602

WHEREAS, The United States of America proposes to enter into a contract with Citizens Utilities Company, under date of January 7, 1938, for the sale of electrical energy to be generated at Boulder Dam power plant and allotted to The Metropolitan Water District of Southern California, in the form submitted with the letter from the General Manager and Chief Engineer to this Board, dated January 14, 1938, and

WHEREAS, it has been found by this Board that the interest of the District will be best served if said contract is entered into.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of The Metropolitan Water District of Southern California, that the General Manager and Chief Engineer of the District be, and he hereby is, authorized and directed to execute the consent to, and approval of, said contract attached hereto, and that the Executive Secretary of the District be, and he hereby is, authorized and directed to attest the signature of the General Manager and Chief Engineer and to affix to said consent the corporate seal of the District.

I HEREBY CERTIFY, that the foregoing is a full, true and correct copy of a resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California, at its meeting held January 14, 1938.

A. L. GRAM,
Executive Secretary of the Metropolitan Water District of Southern California.

[SEAL]

ORDINANCE No. 39

AN ORDINANCE CREATING THE OFFICE OF ASSISTANT CHIEF ENGINEER OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, PRESCRIBING THE POWERS, DUTIES AND COMPENSATION OF SUCH OFFICER, AND PROVIDING THE MANNER OF HIS APPOINTMENT AND REMOVAL, AND REPEALING CERTAIN INCONSISTENT ORDINANCES, INCLUDING ORDINANCES NUMBERED 35 AND 37.

The Board of Directors of The Metropoitan Water District of Southern California does ordain as follows:

SECTION 1. There is hereby created the office of Assistant Chief Engineer of The Metropolitan Water District of Southern California.

SECTION 2. The Assistant Chief Engineer shall be appointed and may be removed by the General Manager and Chief Engineer. In case of the death, resignation, removal, absence or sickness of the General Manager and Chief Engineer and of the Assistant General Manager, or the inability of both of them, for any reason, to make such appointment, the Board of Directors shall appoint, and may remove, such Assistant Chief Engineer, but such appointee may also be removed by the General Manager and Chief Engineer.

SECTION 3. The Assistant Chief Engineer shall perform such duties and render such services to the District as may be prescribed and assigned to him by the General Manager and Chief Engineer, with like effect as though such duties or services were performed or rendered in person by the General Manager and Chief Engineer.

SECTION 4. During the absence or disability of the General Manager and Chief Engineer and of the Assistant General Manager, or the inability of both of them for any reason to act in person, or in case of the death, resignation or removal of both of them, until the appointment and qualification of the successor of either of them, the Assistant Chief Engineer, in his own name, shall perform all of the duties and exercise all of the powers of the General Manager and Chief Engineer.

SECTION 5. The Assistant Chief Engineer shall receive such compensation

as shall be provided in the salary scale approved by the Board of Directors under and pursuant to Ordinance No. 29.

SECTION 6. Ordinances numbered 35 and 37, and all other ordinances, or parts of ordinances, in conflict with this ordinance, shall be, and the same hereby are, repealed.

SECTION 7. The Secretary of the Board of Directors shall certify to the passage of this ordinance.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of an ordinance adopted by the Board of Directors of The Metropolitan Water District of Southern California, at its meeting held July 28, 1933.

A. L. GRAM,
Executive Secretary of the Metropolitan Water District of Southern California.

[SEAL]

[ITEM 58]

BOULDER CANYON PROJECT

SUPPLEMENTAL CONTRACT NEVADA NO. 1 FOR ELECTRICAL ENERGY

THE UNITED STATES

AND

STATE OF NEVADA

APRIL 23, 1938

(12r–6052)

1. THIS SUPPLEMENTAL CONTRACT, made this Twenty-third day of April, nineteen hundred thirty-eight, pursuant to the Act of Congress approved June 17, 1902 (32 Stat., 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat., 1057), designated the Boulder Canyon project act, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by the contracting officer executing this supplemental contract, thereunto duly authorized by the Secretary of the Interior, hereinafter styled the Secretary, and STATE OF NEVADA, a body politic and corporate, and its Colorado River Commission (said Commission acting herein in the name of the State, but as principal in its own behalf as well as

in behalf of the State; the term State as used in this supplemental contract being deemed to be both the State of Nevada and its Colorado River Commission), acting in pursuance of an act of the Legislature of the State of Nevada, entitled "An Act creating a commission to be known as the Colorado river commission of Nevada, defining its powers and duties, and making an appropriation for the expenses thereof, and repealing all acts and parts of acts in conflict with this act," approved March 20, 1935 (Chapter 71, Stats. of Nevada, 1935), both said State of Nevada and its Colorado River Commission being hereinafter collectively referred to as the State:

WITNESSETH:

EXPLANATORY RECITALS

2. WHEREAS, under date of May 6th, 1936, the parties hereto entered into a contract (Symbol and Number I2r–6052) providing for the delivery of four million (4,000,000) kilowatt-hours annually of firm energy to be developed at Boulder Dam power plant and it is now desired to amend said contract so as to provide for the delivery of an additional nine million (9,000,000) kilowatt-hours annually of firm energy to the State;

3. NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to wit:

ALLOCATION OF ELECTRICAL ENERGY

4. Article nine (9) A of the aforesaid contract of date May 6th, 1936, is hereby amended so as to read as follows:

A. To the State of Nevada, for use in Nevada, not exceeding eighteen per centum (18%) of said total firm energy, whereof thirteen million (13,000,000) kilowatt-hours annually (June 1st to May 31st, inclusive) of said firm energy shall be taken and/or paid for by the State under the provisions of this contract.

MINIMUM ANNUAL PAYMENT

5. Article fifteen (15) of the aforesaid contract of May 6th, 1936, is hereby amended so as to read as follows:

15. The minimum quantity of firm energy which the State shall take and/or pay for each year (June 1st to May 31st, inclusive), under the terms of this contract, and after the same is ready for delivery to the State, as provided in subdivision (a) of Article twelve (12) hereof, shall be thirteen million (13,000,000) kilowatt-hours. The total payments made by the State for firm energy available in any year (June 1st to May 31st, inclusive), whether any energy is taken by it, or not, exclusive of its payments for credit to the generating agency, shall be not less than the number of kilowatt-hours of firm energy which the State is obligated to take and/or pay for during said year, multiplied by one and sixty-three hundredths mills ($0.00163), or

multiplied by the adjusted rate of payment for firm energy in case the said rate is adjusted as provided in Article thirteen (13) hereof. For a fractional year at the beginning or end of the contract period, the minimum annual payment for firm energy shall be proportionately adjusted in the ratio that the number of days water is available for generation of energy in such fractional year bears to three hundred sixty-five (365). Provided, that the minimum annual payment shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article eighteen (18) hereof.

The minimum annual payments made by the State for generation of such energy, to be credited to the generating agency, shall be determined in accordance with Article thirteen (13) hereof.

MODIFICATION OF PRIOR CONTRACT

6. Except as expressly herein amended, the aforesaid contract of date May 6th, 1936, shall be and remain in full force and effect; subject, however, to termination as therein stated.

EFFECTIVE DATE OF SUPPLEMENTAL CONTRACT NEVADA NO. 1

7. This supplemental contract shall become of full force and effect only upon written notice given to the Colorado River Commission of the State of Nevada by the Chief Engineer of the Bureau of Reclamation, that the installation of transformers and other necessary equipment for delivery of energy to the State of Nevada has been completed by the Bureau of Reclamation, and until the date of such notice the said contract of May 6th, 1936, shall remain in full force and effect.

OFFICIALS NOT TO BENEFIT

8. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be constructed to extend to this contract if made with a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this supplemental contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By R. F. WALTER,
Chief Engineer, Bureau of Reclamation.

STATE OF NEVADA, acting by and through its
Colorado River Commission.
By RICHARD KIRMAN, *Chairman.*

Attest:
(Signed) ALFRED MERRITT SMITH,
Secretary.

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COLORADO RIVER COMMISSION OF NEVADA,
By RICHARD KIRMAN, *Chairman.*

Attest:
(Signed) ALFRED MERRITT SMITH,
Secretary.

Ratified and approved
this 23d day of April, 1938.
(Signed) RICHARD KIRMAN,
Governor of the State of Nevada.

[SEAL]

Attest:
(Signed) MALCOLM MCEACHIN,
Secretary of State.

CERTIFICATE OF THE SECRETARY OF STATE

I, Malcolm McEachin, the duly appointed, qualified and acting Secretary of State of the State of Nevada, do hereby certify that Honorable Richard Kirman is now, and was at the time of the execution of that certain contract to which this certificate is attached, concerning the delivery of electrical energy from Boulder Dam to the State of Nevada, between the Colorado River Commission of the State of Nevada and the United States of America, the duly elected, qualified and acting Governor of the State of Nevada, and by virtue of said office, was then and is now the Chairman of the Colorado River Commission of Nevada; that Alfred Merritt Smith is now, and was at the time of the execution of said contract, the duly elected, qualified and acting Secretary of the said Colorado River Commission of Nevada; and that the signatures affixed to said contract are the signatures of the said Honorable Richard Kirman, Governor of the State of Nevada and Chairman of the Colorado River Commission of Nevada, and of the said Alfred Merritt Smith, the Secretary of the Colorado River Commission of Nevada.

Dated: This 23d day of April, 1938.

(S) MALCOLM MCEACHIN,
Secretary of State of the State of Nevada.

[SEAL]

CERTIFIED COPY OF RESOLUTION AUTHORIZING EXECUTION OF SUPPLEMENTAL CONTRACT

I, Alfred Merritt Smith, the duly elected, qualified, acting and authorized Secretary of the Colorado River Commission of Nevada, do hereby certify that the following is a true and correct copy of a resolution duly adopted on April 19, 1938, by the Colorado River Commission of Nevada and appearing in the minutes of the meeting of said Commission held on that date:

RESOLVED, That the contract between the United States, acting by the Secretary of the Interior, and the State of Nevada, a body politic and corporate, and its Colorado River Commission, the said Commission acting in the name of the state but as principal in its own behalf as well as in behalf of the State of Nevada, entitled "Supplemental Contract Nevada No. 1 for Electrical Energy," and being supplemental to and amendatory of that certain original contract (symbol and number I2r–6052), which original contract was for four million (4,000,000) kilo-watt hours annually of firm energy to be developed at Boulder Dam Power Plant and which was made and entered into by and between the above named parties thereto on and dated May 6th, 1936, this supplemental contract being the second contract for electrical energy made and entered into by and between said parties, and being a contract for the withdrawal of an additional nine million (9,000,000) kilo-watt hours annually of electrical energy so developed over and above that provided for in said original contract so dated May 6th, 1936, and making a total so contracted for in both said original contract and in this supplemental contract of thirteen million (13,000,000) kilo-watt hours annually of such electrical energy so contracted for and so to be withdrawn from the allotment to Nevada of eighteen per cent (18%) of the total firm energy to be generated at Boulder Dam Power Plant, as amended in accordance with suggestions contained in a letter received from and signed by Richard J. Coffey, District Counsel, Bureau of Reclamation, addressed to "Alfred Merritt Smith, Esq., Secretary, Colorado River Commission of Nevada," dated at Los Angeles, California, April 12, 1938, be approved by this Commission and forwarded to said Richard J. Coffey, 608 Grant Building, 355 South Broadway, Los Angeles, California, for rechecking, and then to Honorable Harold L. Ickes, Secretary of the Interior, Washington, D. C., for final approval.

AND BE IT FURTHER RESOLVED, That a copy of the said letter so received from said Richard J. Coffey be attached to said supplemental contract to facilitate the checking thereof by him as such District Counsel and by the Secretary of the Interior; and that the Chairman and Secretary of the Commission be and hereby are authorized to execute and sign the above mentioned supplemental contract between the state and the United States Government, both acting as aforesaid.

Dated this 19th day of April, 1938.

(S) ALFRED MERRITT SMITH,
Secretary of the Colorado River Commission of Nevada.

[ITEM 59]

BOULDER CANYON PROJECT

CONTRACT TO CONSTRUCT THIRD CIRCUIT AND TAKE ADDITIONAL BOULDER DAM ENERGY UNDER EXISTING OPTIONS

THE UNITED STATES

AND

THE CITY OF LOS ANGELES

JULY 6, 1938

(11r–646)

(1) This contract, made this 6th day of July, 1938, pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat. 1057), designated the Boulder Canyon Project Act, between the UNITED STATES OF AMERICA, here-

inafter referred to as the United States, acting for this purpose by Harold L. Ickes, Secretary of the Interior, hereinafter styled the Secretary, and THE CITY OF LOS ANGELES, a municipal corporation, and its DEPARTMENT OF WATER AND POWER (said Department acting herein in the name of the City, but as principal in its own behalf as well as in behalf of the City; the term "City" as used in this contract being deemed to be both The City of Los Angeles and its Department of Water and Power);

WITNESSETH:

EXPLANATORY RECITALS

(2) (a) WHEREAS, under the Contract for Lease of Power Privilege, dated April 26, 1930, as amended, between the United States and the City and the Southern California Edison Company Ltd. (hereinafter referred to as the Lease), the City is obligated to take and/or pay for certain minimum quantities of firm energy (the term "energy" is used in this contract as equivalent to the phrase "falling water used for the generation of electrical energy") available at Boulder Dam; and

(b) WHEREAS, under the Lease and by reason of the assignment to the City of the rights and obligation of the Los Angeles Gas and Electric Corporation under that certain contract between the United States and said Corporation, dated November 21, 1931 (hereinafter referred to as the Gas Corporation Contract), the City has, in addition to its annual obligation to take and/or pay for firm energy, the first right to contract, upon terms and conditions prescribed by the Secretary of the Interior for 55 per cent of the firm energy allocated to but not used by The Metropolitan Water District of Southern California, together with such portion of the remainder as the Southern California Edison Company, Ltd., or The Nevada-California Electric Corporation shall not elect to take, and the option to purchase and use 55 per cent of all available secondary energy not used by The Metropolitan Water District of Southern California and so much of the remainder as is not used by the Southern California Company, Ltd., or The Nevada-California Electric Corporation; and

(c) WHEREAS, the City has heretofore constructed two transmission circuits from Boulder Dam for the transmission of the energy which it is obligated to take and/or pay for and the firm energy which it is obligated to transmit for the municipalities of Burbank, Glendale and Pasadena; and

(d) WHEREAS, if the City is to utilize certain of the energy in excess of the firm energy allotted to it, and if the United States is presently to dispose of certain of that excess energy expected to be available in substantial amounts at Boulder Dam, the construction of a third transmission circuit by the City will become necessary; and

(e) WHEREAS, the energy which may be available to the City in excess

of its allotment of firm energy is uncertain as to amount and availability; and

(f) WHEREAS, under the Lease, all energy used by the City in excess of its minimum annual obligation is to be paid for at the rate for secondary energy in effect when such energy is taken; and

(g) WHEREAS, the Lease, among other things, provides that the right of the City to take and pay for energy at the rate for secondary energy, after discharge of its obligation to the United States to pay for energy at the rate for firm energy, shall not be impaired by reason of the fact that another allottee has not discharged its obligation to pay for energy at the rate for firm energy, and

(h) WHEREAS, the Lease establishes a rate of 1.63 mills per kilowatt-hour for the use of water for the generation of firm energy and .5 mills per kilowatt-hour for the use of water for the generation of secondary energy and provides for periodic readjustment of said rates; and

(i) WHEREAS, in arriving at the respective rates for firm energy and secondary energy as fixed in the Lease, recognition was given to the fact that secondary energy cannot be relied upon as being at all times available, but is subject to diminution or temporary exhaustion, while firm energy is the amount of energy agreed upon as being available continuously as required during each year of the contract period, and whereas the Lease provides that in the readjustment of the rate for secondary energy account shall be taken of such factors; and

(j) WHEREAS, Article (16) of the Lease provides a formula for determining the rate for firm energy upon such periodic readjustments, but does not clearly provide any such formula with respect to secondary energy, and the City does not feel justified in incurring the large expenditure entailed in the construction of a third transmission circuit unless the existing uncertainty as to the evaluation of the aforesaid factors in future rate readjustments is removed by the provision of a formula for determining the rate for secondary energy upon such periodic readjustments throughout the duration of the Lease, and the establishment of such formula is an essential inducement to the construction of said third circuit; and

(k) WHEREAS, it is to the best interests of the United States that said third transmission circuit be constructed by the City, thereby creating a present market for additional Boulder Dam energy; and

(l) WHEREAS, the City desires, and the United States is agreeable to, an extension of the period for payment of compensation for the use of machinery; and

(m) WHEREAS, the City desires, and the United States is agreeable to, an absorption period with respect to the firm energy allotted to the Los Angeles Gas and Electric Corporation and assigned by it to the City, corresponding to that granted to certain other allottees on October 30, 1934;

NOW, THEREFORE, in consideration of the mutual covenants herein contained the parties hereto agree as follows, to wit:

CONSTRUCTION OF TRANSMISSION FACILITIES

(3) The City will, at its own cost, construct, operate and maintain a third transmission circuit from Boulder Dam to a receiving station of the City located in or near The City of Los Angeles, with necessary switching stations, receiving station facilities, and other necessary equipment, increasing the effective aggregate operating capacity of its transmission facilities from Boulder Dam by the amount of approximately 150,000 kilowatts (delivered at the receiving station).

ENERGY TO BE TAKEN AND/OR PAID FOR BY THE CITY

(4) (a) If the United States makes available to the City in accordance with the Lease and this contract the necessary falling water and machinery and equipment, the City will take and/or pay for, in accordance with its optional rights under the Lease, the following minimum quantities of energy in addition to those which the City is obligated to take and/or pay for under the Lease and under the Gas Corporation Contract as modified hereby:

(i) During the period beginning with the completion of the third circuit (but not later than December 1, 1939), and ending May 31, 1940, three hundred eighty-five million kilowatt-hours (385,000,000 kwh) per year of operation (June 1 to May 31, inclusive) or pro rate for a fractional part of a year of operation.

(ii) During the year of operation beginning June 1, 1940, and ending May 31, 1941, four hundred ninety million kilowatt-hours (490,000,000 kwh).

(iii) During the year of operation beginning June 1, 1941, and ending May 31, 1942, five hundred ninety-five million kilowatt-hours (595,000,000 kwh).

(iv) During each year of operation (June 1 to May 31, inclusive) thereafter, until May 31, 1945, seven hundred million kilowatt-hours (700,000,000 kwh).

Provided, That the City shall not be obligated to take or pay for such additional energy in any one month in an amount greater than one-twelfth of the amount which it is obligated to take and/or pay for during that year of operation. The rate to be paid for the use of falling water for the generation of all such energy shall be the rate for secondary energy in force at the time such energy is taken. The City shall be entitled, but not obligated, to take energy at the rate for secondary energy in addition to the quantities above stated, if available to it under the provisions of the Lease.

(b) The obligation stated in this Article 4, to take and/or pay for additional

energy shall terminate on May 31, 1945. All other terms of this agreement shall remain in force for the same period that the Lease is in force, including extensions, if any, of the Lease.

FORMULA FOR DETERMINING RATE FOR SECONDARY ENERGY AT PERIODIC READJUSTMENTS

(5) In all future readjustments of rates for Boulder Dam energy during the period of the Lease, the rate of payment for the use of falling water for the generation of secondary energy (which rate shall be uniform for all contractors having rights to secondary energy) shall be the price fixed, pursuant to the requirements of the then applicable law, for falling water for the generation of firm energy at Boulder Dam, plus fixed and operating costs of generation and transmission of such firm energy, less all, or such portion of all, reasonable fixed and operating costs as are chargeable specifically and solely to (1) generating and transmitting such secondary energy, and (2) providing, maintaining and intermittently operating such standby plant or plants as are necessary to make such secondary energy equally as reliable and continuously available as said firm energy.

RETENTION OF CITY'S RIGHTS UNDER THE LEASE

(6) (a) The City's rights to and options upon secondary and other energy, as conferred by the Lease, shall in nowise be impaired by anything contained in this agreement, nor by the manner in which the Secretary may account for moneys paid by the City hereunder; nor shall the existing rights of any allottee of Boulder Dam energy be in any way impaired by this agreement.

(b) No agreement which the Secretary may make with any other allottee of Boulder Dam energy shall be permitted, without the consent of the City, to have the consequence of increasing, at any time or in any manner, the rates which the City would otherwise be obligated to pay for firm energy and secondary energy, or of adversely affecting any other right or obligation of the City; provided, that nothing in this paragraph shall in any way affect the periodic readjustment of uniform rates for Boulder Dam energy in accordance with the then existing laws and contracts.

DELIVERY OF WATER BY THE UNITED STATES

(7) Water will be delivered by the United States for the generation of energy hereunder in accordance with Article (21) of the Lease. The term "load requirements" as used therein with reference to the City shall include, after the City has constructed its third circuit under this agreement and throughout the remaining life of the Lease, the requirements of the City for temporary increases in the delivery of water for generation of firm energy during periods

when another source of power is out of service by reason of an emergency. If, in consequence thereof, the City uses water for the generation of firm energy in excess of its allocation during any year of operation, the Secretary may, in his discretion, diminish delivery of water to the City for the generation of firm energy during the following year of operation by an equivalent quantity.

COMPENSATION FOR USE OF MACHINERY

(8) The term for the amortization of the cost of generating machinery and equipment as provided in Article (9) (a) of the Lease is hereby extended to a period terminating with the term of the City's Lease, provided, that interest, at the rate chargeable to the Colorado River Dam Fund, shall be paid on the unpaid balance of such cost. Payments shall be made in annual installments, as nearly equal as practicable, of aggregate principal and interest, subject to the option of the City to pay at any time the unpaid balance, or any part thereof, of the cost of such machinery and equipment, provided, that no such prepayment by the City shall obligate any allottee, for whom the City is generating agency, to make any corresponding prepayment of its proper proportionate allowance for amortization of such cost. Any such prepayment shall be applied to the payment or payments falling due at the latest date or dates, unless the City shall otherwise elect at the time of making such prepayment.

ABSORPTION PERIOD FOR LOS ANGELES GAS AND ELECTRIC CORPORATION ALLOCATION

(9) In order to afford the City the same privileges, with respect to the firm energy contracted for by the Los Angeles Gas and Electric Corporation under the Gas Corporation Contract, assigned by that Corporation to the City, which have been afforded to certain other allottees, the minimum annual payments to be made by the City with respect to the firm energy so contracted for, for the first three years after such energy is ready for delivery to the City as assignee of the said Corporation, under the terms of the Lease and the Gas Corporation Contract, shall be as follows, in percentages of the ultimate annual obligation to take and/or pay for firm energy under said Gas Corporation Contract and said assignment thereof:

	Percent
First year	55
Second year	70
Third year	85
Fourth year and all subsequent years	100

The privilege extended by this Article shall be demed to have been in effect as of October 30, 1934, the date on which similar privileges were granted to certain other allottees.

GENERATING AGENCIES

(10) Generation of energy allocated to the Los Angeles Gas and Electric Corporation may be effected by the City, at its option, as though so provided in Article (10) (d) of the Lease.

TERMS OF LEASE OTHERWISE UNCHANGED

(11) All terms of the Lease except as modified by this contract shall remain in full force and effect. This contract shall become effective upon its execution by the parties, and execution by the other lessee of the form of Consent hereto annexed.

MEMBER OF CONGRESS CLAUSE

(12) No Member of or Delegate to Congress or Resident Commissioner, shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By HAROLD L. ICKES,
Secretary of the Interior.

THE CITY OF LOS ANGELES, acting by and through its Board of Water and Power Commissioner.
By A. J. MULLEN, *President.*

Attest:
JAS. P. VROMAN, *Secretary.*

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, by the Board of Water and Power Commissioners,
By A. J. MULLEN, *President.*

Attest:
JAS. P. VROMAN, *Secretary.*

Southern California Edison Company Ltd. hereby consents to the foregoing contract upon the express understanding and agreement that, by reason of the

execution of such foregoing contract and by virtue of the provisions of Article (37) of the Lease therein mentioned, and without further act or agreement whatsoever, it is and shall be entitled to receive the same rights or benefits as those obtained by the City by Articles (5), (6), (7), and (8) thereof and particularly the kilowatt-hour rate for secondary energy established by Article (5) thereof.

IN WITNESS WHEREOF Southern California Edison Company Ltd. has caused its corporate name to be subscribed hereunto and its corporate seal to be attached hereto by its officers thereunto duly authorized this 1st day of July, 1938.

SOUTHERN CALIFORNIA EDISON COMPANY LTD.

By HARRY J. BAUER, *President.*

Attest:

T. E. BURKE, *Assistant Secretary.*

[ITEM 60]

BOULDER CANYON PROJECT

AGREEMENT WITH METROPOLITAN WATER DISTRICT DEFERRING PAYMENTS FOR BOULDER DAM ENERGY

THE UNITED STATES

AND

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

JULY 13, 1938

(11r–647)

1. THIS CONTRACT made this 13th day of July, 1938, pursuant to the act of Congress approved June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the act of Congress approved December 21, 1928 (45 Stat. 1057), designated as the Boulder Canyon Project Act, between the UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by Harold L. Ickes, Secretary of the Interior, hereinafter styled the Secretary, and THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, a public corporation organized and existing under and by virtue of the laws of the State of California, hereinafter styled the District;

WITNESSETH:

2. WHEREAS, under date of April 26, 1930, the parties nereto entered into a certain contract for electrical energy, which contract was amended under date of May 31, 1930, such contract as so amended being hereinafter referred to as

the "original contract," the recitals of the said contract being hereby referred to and made a part hereof as though set forth herein; and

3. WHEREAS, it is the desire of the parties hereto to revise and supplement the said contract in the particulars hereinafter set out, leaving the said contract in full force and effect as to all other particulars;

4. NOW, THEREFORE, in consideration of the premises and of the respective covenants herein contained, the parties hereto agree as follows:

5. Notwithstanding the provisions of Article (14) of the original contract, but subject to the provisions of Articles 6 and 10 hereof, the minimum quantity of firm energy which the District shall be obligated to pay for, whether used or not, in each contract year during the period commencing June 1, 1938, and ending May 31, 1955 (in addition to its payments for credit to its generating agency), shall be as follows: (As used herein the term "contract year" shall mean the year from June 1 to May 31 of the following calendar year.)

For the Contract Year:	*Kilowatt hours*
1938–1939	0
1939–1940	0
1940–1941	631,600,000
1941–1942	690,600,000
1942–1943	749,600,000
1943–1944	808,500,000
1944–1945	867,200,000
1945–1946	925,200,000
1946–1947	983,100,000
1947–1948	1,041,200,000
1948–1949	1,098,800,000
1949–1950	1,155,700,000
1950–1951	1,212,800,000
1951–1952	1,269,300,000
1952–1953	1,325,700,000
1953–1954	1,382,400,000
1954–1955	1,435,200,000

For each contract year during the period comencing June 1, 1955, and ending May 31, 1987, the District shall be obligated to pay, in addition to its payments for credit to its generating agency and other payments hereinafter provided for, for 36 per cent of all firm energy available in such year, whether any energy is taken by it or not.

During the period ending May 31, 1955, energy taken by the District in any one contract year not exceeding the amount which the District would have been obligated to take and/or pay for during such year under the terms of the original contract, shall be paid for at the rate for *firm* energy then in effect. During said period ending May 31, 1955, energy taken by the District for its own use in any one contract year in excess of the annual obligation during such year to take and/or pay for firm energy as set out in the original contract, (other than firm energy allocated to the States of Arizona and Nevada, or either

of them, and not in use by them, or either of them) shall be paid for at the rate for *secondary* energy then in effect; provided, however, that the right of the District to firm and secondary energy under the original contract shall not be enlarged or diminished in any respect hereby.

6. (a) There shall be computed by the Secretary as of the end of each calendar month from and including the month of June 1938, to and including the month of May 1955, an amount, hereinafter referred to as the monthly deficiency, determined as follows: From one-twelfth (1/12) of the minimum annual amount which the District would have been obligated to pay for the privilege of using falling water for the generation of firm energy during each contract year had the original contract not been modified by Article 5 hereof, there shall be deducted the sum of the following amounts, to wit: (i) the amount of money, if any, actually paid by the District to the United States hereunder for the privilege of using falling water for the generation of firm energy during said month, (ii) the proceeds, if any, of the disposition, pursuant to the said original contract, of the District's unused firm energy which it is obligated to pay for under the original contract, and (iii) such other credits, if any, (other than for interest payments on monthly deficiencies, as hereinafter provided, payments for credit to its generating agency, and payments, if any, for secondary energy) as may accrue to the District during said month. The remainder, if any, shall constitute the monthly deficiency for said month. Provided, that if the total of the sums under clauses (i), (ii) and (iii) of this paragraph for any month exceeds one-twelfth of the minimum annual amount which the District would have been obligated to pay for the privilege of using falling water for the generation of firm energy during that contract year had the original contract not been modified by Articles 5 and 6 hereof, such excess shall be credited on the total of the District's monthly deficiencies remaining unpaid.

(b) The District shall pay to the United States, on the first day of each month, commencing August 1, 1938, interest upon the aggregate of the monthly deficiencies remaining unpaid on the first day of the preceding month, at the rate chargeable to the Colorado River Dam fund.

(c) The aggregate of such monthly deficiencies remaining unpaid on June 1, 1955, shall constitute the principal of an obligation which the District hereby agrees to pay to the United States. The principal of such obligation, and interest on the unpaid balance thereof at the rate chargeable to the Colorado River Dam fund, shall be paid to the United States by the District in substantially equal monthly installments (including therein both principal and interest) payable on July 1, 1955, and on the first day of each month thereafter until and including June 1, 1987. The District, at its option, may pay any part of the principal of said obligation on the due date of any interest payable hereunder; such prepayments shall be applied toward the retirement of the principal of the said obligation in the manner specified by the District.

(d) This agreement is intended to result in payment by the District to the United States on account of the use of falling water for the generation of firm energy of not less than the minimum amount of money which it is obligated to pay therefor under the terms of the said original contract, plus interest on all amounts deferred as elsewhere herein provided. If the District shall fail to pay when due any payment as provided for in this agreement, a penalty of one per centum (1%) of the amount unpaid shall be added thereto for each month, or part thereof, during such delinquency.

7. Nothing herein shall be construed to prevent the District from participating in any readjustment of rates that may result from any act or acts of Congress or from receiving the benefit of Article (37) of the Contract for Lease of Power Privilege between the United States and, severally, The City of Los Angeles and its Department of Water and Power and the Southern California Edison Company Ltd.

8. If, by contract or otherwise, the time for the payment by The City of Los Angeles, pursuant to Article (9) (a) of the said Contract for Lease of Power Privilege, of compensation for the use of machinery and equipment installed for said City for the generation of electrical energy for itself and others, including the District, shall be extended, the time for the payment by the District to the United States for credit to the City of so much of the payments provided for in Article (12) of the original contract as represents a proper proportionate allowance for amortization of the cost of machinery and equipment therein referred to, shall be, and is hereby, correspondingly so extended, provided, that the District shall pay interest, at the rate chargeable to the Colorado River Dam fund, on the unpaid balance of said proper proportionate allowance for amortization of the cost of machinery and equipment. No prepayment by said City, pursuant to any right of prepayment which may be reserved by or granted to it in connection with such extension, shall obligate the District to make any corresponding prepayment of the said proper proportionate allowance so payable by it.

Nothing in this agreement shall be construed to alter or defer the time of commencement of payments, required to be made under the original contract, by the District to the United States for credit to the Disrict's generating agency.

9. Notwithstanding the provisions of Article (19) (a) of the original contract and Article (25) (a) of Exhibit "A" attached to the original contract, the District shall operate and maintain its own transmission lines therein referred to and the Secretary will cause delivery of energy at transmission voltage to be made accordingly.

10. The District agrees to make payments to the United States each year (in addition to its payments for credit to its generating agency and payments made under Article 6 hereof) at such times and in such amounts (not exceeding the amount which the District would be obligated to pay in such year under the original contract) as the Secretary of the Interior, taking into account the pay-

ments made under Article 5 hereof, may find to be necessary, under the Boulder Canyon Project Act as now in force or under legislation hereafter enacted amendatory thereof or supplementary thereto, in order to (1) cover the District's proportionate part, on the basis of its original contract, of the cost of operation and maintenance of Boulder Dam and incidental works (exclusive of the power plant) for such year, and (2) leave unaffected by this agreement the rates or charges payable by any other allottee of Boulder Dam energy, and (3) leave unaffected the amounts which, but for this agreement, would be payable for such year, out of the Colorado River Dam fund, to any State, fund, or allottee, other than amounts covered into the Treasury to the credit of miscellaneous receipts. Payments made by the District pursuant to this Article shall be credited on the total of the District's monthly deficiencies remaining unpaid, as provided in Article 6 (a) hereof.

For the purpose of computing and paying the amounts payable to the States of Arizona and Nevada pursuant to section 4(b) of the Boulder Canyon Project Act, the payments which would be made to the United States out of the Colorado River Dam fund, but for this agreement, for any year during the period ending June 30, 1955, shall be reduced by an amount equal to the aggregate of the District's monthly deficiencies, as computed under Article 6 hereof, for such year, less the amount of the interest paid by the District for such year, on the unpaid balance of the District's deficiencies, and the payments which would be made to the United States out of the Colorado River Dam fund, but for this agreement, for any year after June 30, 1955, shall be increased by and shall include an amount equal to the payments made by the District to the United States, under Article 6 (c) hereof, for such year.

11. No agreement which the Secretary may make with any other allottee of Boulder Dam energy shall be permitted, without the consent of the District, to have the consequence of increasing, at any time or in any manner, the rates which the District would otherwise be obligated to pay for firm energy and secondary energy, or of adversely affecting any right or obligation of the District; provided, that nothing in this paragraph shall in any way affect the periodic readjustment of uniform rates for Boulder Dam energy in accordance with the then existing laws and contracts.

MEMBER OF CONGRESS CLAUSE

12. No member of or delegate to Congress or resident commissioner, shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

833942—50—45

THE UNITED STATES OF AMERICA,
(Signed) By HAROLD L. ICKES,
Secretary of the Interior.

Attest:
R. L. JOHNSON.

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA,
By F. E. WEYMOUTH,
General Manager and Chief Engineer.

Attest:
A. L. GRAM.

Approved:
(Signed) J. H. HOWARD,
General Counsel.

[ITEM 61]

BOULDER CANYON PROJECT

CONTRACT ACCELERATING INITIAL DATE FOR SALE OF BOULDER DAM ELECTRICAL ENERGY UNDER AGREEMENT OF JANUARY 7, 1938

THE UNITED STATES

AND

CITIZENS UTILITIES COMPANY

SEPTEMBER 28, 1938

(I1r–1009)

THIS CONTRACT, made this 28th day of September, 1938, pursuant to the Act of Congress approved June 17, 1902, 32 Stat., 388, and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928, 45 Stat., 1057, designated the Boulder Canyon Project Act, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by W. C. Mendenhall, Acting Assistant Secretary of the Interior, hereinafter styled the Secretary, and CITIZENS UTILITIES COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Delaware, hereinafter referred to as the Company:

WITNESSETH:

ARTICLE 2. WHEREAS, the parties hereto on January 7, 1938 entered into a contract for resale of electrical energy to be developed at Boulder Dam Power Plant, which said contract provides for commencement of performance on October 22, 1938; and

ARTICLE 3. WHEREAS, the Company is desirous of commencing on October 3, 1938 to take and/or pay for electrical energy pursuant to the terms of its contract with the United States, dated January 7, 1938; and

ARTICLE 4. WHEREAS, the United States has available electrical energy which, commencing on October 3, 1938, can be furnished pursuant to the terms of said contract of January 7, 1938;

ARTICLE 5. NOW, THEREFORE, the parties hereto agree as follows, to wit:

ARTICLE 6. The first eight lines of Article 10 of the contract of January 7, 1938 between the parties hereto, reading as follows:

> 10. The United States agrees, subject to all the terms and conditions of Exhibit 1 hereof, that of the firm energy to be developed at Boulder Dam power plant, and heretofore allocated to and contracted for by the District, it will cause to be delivered to the Company for a period beginning on the date when energy is first made available to the District in accordance with the provisions of said Exhibit 1, or eight calendar months after the date of execution hereof by the Secretary, whichever date shall be the later, and ending on and including December 31, 1954, so much firm energy as may be * * *

are hereby amended so as to read as follows:

> 10. The United States agrees, subject to all the terms and conditions of Exhibit 1 hereof, that of the firm energy to be developed at Boulder Dam power plant, and heretofore allocated to and contracted for by the District, it will cause to be delivered to the Company for the period beginning October 3, 1938, inclusive and ending on December 31, 1954, inclusive, so much firm energy as may be * * *

ARTICLE 7. The contract of January 7, 1938 is otherwise to remain unchanged.

ARTICLE 8. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By W. C. MENDENHALL,
Acting Asst. Secretary of the Interior.

CITIZENS UTILITIES COMPANY,
By JOSEPH CHAPMAN, *President.*

[CORPORATE SEAL]

Attest:
C. E. STEELE, *Assistant Secretary.*

September 30th, 1938

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, a public corporation organized and existing under and by virtue of the laws of the State of California, as evidence of its consent to and approval of this contract, has caused its corporate name to be subscribed hereto by its officers thereunto duly authorized as of the day and year first above written.

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA,
By F. E. WEYMOUTH,
General Manager and Chief Engineer.

[CORPORATE SEAL]

Attest:
A. L. GRAM,
Executive Secretary of The Metropolitan Water District of Southern California.

Approved as to form and execution:
JAMES H. HOWARD, *General Counsel*

CERTIFICATE

CITIZENS UTILITY COMPANY

CERTIFIED EXTRACT FROM RECORDS
BOARD OF DIRECTORS MEETING ON
SEPTEMBER 26, 1938

I, the undersigned, Assistant Secretary of the above named Corporation do hereby certify that the annexed is a true and correct extract from the records of said Corporation, showing proceedings duly had and resolutions duly adopted by the Board of Directors of said Corporation at a meeting thereof duly held on the above mentioned date, at which a quorum was present.

And I do further certify that the said resolutions have not been in any wise rescinded, annulled, or revoked, but that the same are still in full force and effect.

Witness My hand and the seal of the Corporation, this 28th day of September, 1938.

(Signed) C. E. STEELE,
Assistant Secretary.

[SEAL]

WHEREAS, The Company now has a contract with The United States of America dated, January 7, 1938, for the purchase of electric energy at Boulder Dam, commencing October 22, 1938, and

WHEREAS, The Company's transmission lines is substantially completed and it is desirable and for the best interests of the Company that delivery of power be obtained before October 22, 1938, if possible, and

WHEREAS, There has been submitted to the Company a draft of Supplemental Contract advancing by nineteen (19) days the date when energy can be furnished to the Company, said draft being in the form hereinafter set out,

NOW, THEREFORE, BE IT RESOLVED, That the Officers of the Company be and they are hereby authorized and directed to execute on behalf of this Com-

pany the Supplemental Contract with The United States of America, acting through the Secretary of the Interior, in substantially the following form:

UNITED STATES

DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

Boulder Canyon Project

Arizona-California-Nevada

CONTRACT ACCELERATING INITIAL DATE FOR SALE OF BOULDER DAM ELECTRICAL ENERGY BY UNITED STATES TO CITIZENS UTILITIES COMPANY UNDER AGREEMENT OF JANUARY 7, 1938

THIS CONTRACT made this..... day of ....., 1938, pursuant to the Act of Congress approved June 17, 1902, 32 Stat., 388, and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928, 45 Stat., 10 57, designated the Boulder Canyon Project Act, between the United States of America, hereinafter referred to as the United States, acting for this purpose by....., Secretary of the Interior, hereinafter styled the Secretary, and Citizens Utilities Company, a corporation organized and existing under and by virtue of the laws of the State of Delaware, hereinafter referred to as the Company:

WITNESSETH:

ARTICLE 2. WHEREAS, the parties hereto on January 7, 1938 entered into a contract for resale of electrical energy to be developed at Boulder Dam Power Plant, which said contract provides for commencement of performance on October 22, 1938; and

ARTICLE 3. WHEREAS, the Company is desirous of commencing on October 3, 1938 to take and/or pay for electrical energy pursuant to the terms of its contract with the United States, dated January 7, 1938; and

ARTICLE 4. WHEREAS, the United States has available electrical energy which, commencing on October 3, 1938, can be furnished pursuant to the terms of said contract of January 7, 1938:

ARTICLE 5. NOW, THEREFORE, the parties hereto agree as follows, to wit:

ARTICLE 6. The first eight lines of Article 10 of the contract of January 7, 1938 between the parties hereto, reading as follows:

> 10. The United States agrees, subject to all the terms and conditions of Exhibit 1 hereof, that of the firm energy to be developed at Boulder Dam power plant, and heretofore allocated to and contracted for by the District, it will cause to be delivered to the Company for a period beginning on the date when energy is first made avail-

able to the District in accordance with the provisions of said Exhibit 1, or eight calendar months after the date of execution hereof by the Secretary, whichever date shall be the later, and ending on and including December 31, 1954, so much firm energy as may be * * *

are hereby amended so as to read as follows:

10. The United States agrees, subject to all the terms and conditions of Exhibit 1 hereof, that of the firm energy to be developed at Boulder Dam power plant, and heretofore allocated to and contracted for by the District, it will cause to be delivered to the Company for the period beginning October 3, 1938, inclusive and ending on December 31, 1954, inclusive, so much firm energy as may be * * *

ARTICLE 7. The contract of January 7, 1938 is otherwise to remain unchanged.

ARTICLE 8. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By .....,
Secretary of the Interior.

CITIZENS UTILITIES COMPANY,
By .....,
President.

Attest:

.....,
Secretary.

.....1938

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, a public corporation organized and existing under and by virtue of the laws of the State of California, as evidence of its consent to and approval of this contract, has caused its corporate name to be subscribed hereto by its officers thereunto duly authorized as of the day and year first above written.

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA,
By .....,
Assistant Chief Engineer.

[SEAL]

Attest:

.....,
Executive Secretary of The Metropolitan Water District of Southern California.

Approved as to Form and Execution:

.....,
General Counsel.

FURTHER RESOLVED, That the officers be and they are hereby authorized and directed to execute whatever further documents and take whatever steps are necessary to make the said contract effective.

RESOLUTION NO. 2832

WHEREAS, on the 14th day of January, 1938, by Resolution No. 2602, the Board of Directors of The Metropolitan Water District of Southern California authorized the execution of a consent to and approval of a contract between the United States of America and Citizens Utilities Company, under date of January 7, 1938, for the sale and purchase of electrical energy to be generated at Boulder Dam power plant and allocated to The Metropolitan Water District of Southern California; and

WHEREAS, the delivery of electrical energy under said contract was to commence on October 22, 1938 and it is now the desire of the parties to said contract to commence the delivery of electrical energy on October 3, 1938, and to so modify said original contract by a supplemental contract in the form submitted with the letter from the General Manager and Chief Engineer to this Board, dated September 30, 1938; and

WHEREAS, it has been found by this Board that the interests of the District will be best served if said supplemental contract is entered into.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of The Metropolitan Water District of Southern California, that the General Manager and Chief Engineer of the District be, and he hereby is, authorized and directed to execute the consent to, and approval of, said contract, attached hereto, and that the Executive Secretary of the District be, and he hereby is, authorized and directed to attest the signature of the General Manager and Chief Engineer and to affix to said consent the corporate seal of the District.

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of a resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California, at its meeting held September 30, 1938.

A. L. GRAM,
Executive Secretary of The Metropolitan Water District of Southern California.

[CORPORATE SEAL]

[ITEM 62]

BOULDER CANYON PROJECT

CONTRACT FOR RESALE OF ELECTRICAL ENERGY TO BE DEVELOPED AT BOULDER DAM POWER PLANT

THE UNITED STATES

AND

SOUTHERN CALIFORNIA EDISON COMPANY LTD.

OCTOBER 14, 1938

(11r–646)

1. THIS CONTRACT, made this 14th day of October, nineteen hundred thirty-eight, pursuant to the Act of Congress approved June 17, 1902 (32 Stat., 388), and acts amendatory thereof or supplementary thereto, all of which acts are

commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat., 1057), designated the Boulder Canyon project act, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by Harry Slattery, Under Secretary of the Interior, hereinafter styled the Secretary, and SOUTHERN CALIFORNIA EDISON COMPANY LTD., a corporation organized and existing under and by virtue of the laws of the State of California, hereinafter referred to as the Company:

WITNESSETH:

EXPLANATORY RECITALS

2. WHEREAS, for the purpose of controlling the floods, improving navigation and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters for reclamation of public lands and other beneficial uses exclusively within the United States, and for the generation of electrical energy, the Secretary, subject to the terms of the Colorado River Compact, is authorized to construct, operate and maintain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon, adequate to create a storage reservoir of a capacity of not less than twenty million acre-feet of water; also to construct, equip, operate and maintain at or near said dam, or cause to be constructed, a complete plant and incidental structures suitable for the fullest economic development of electrical energy from the water discharged from said reservoir; and

3. WHEREAS, after full consideration of the advantages of both the Black Canyon and Boulder Canyon dam sites, the Secretary has determined upon Black Canyon as the site of the aforesaid dam, hereinafter styled the Boulder Dam, and has determined that the provisions for revenues made by contracts in accordance with the provisions of the Boulder Canyon project act, are adequate in his judgment to insure payment of all expenses of operation and maintenance of the Boulder Dam and appurtenant works incurred by the United States, and the repayment within fifty (50) years from the date of completion of said works of all amounts advanced to the Colorado River Dam fund under subdivision (b) of Section two (2) of the Boulder Canyon project act, together with interest thereon made reimbursable under said Act; and

4. WHEREAS, the United States has entered into a contract of date April 26, 1930, with The City of Los Angeles, a municipal corporation, and its Department of Water and Power (hereinafter styled the City) and Southern California Edison Company Ltd. (hereinafter styled the Company) severally, for the lease, and for the operation and maintenance of a government-built power plant to be constructed at Boulder Dam as aforesaid, together with the right to generate electrical energy as therein stated, a copy of which said lease-contract, as amended by supplemental contracts of dates May 28, 1930, and September

23, 1931, along with the supplemental agreement of July 6, 1938, is attached to Exhibit 1 hereof, marked Exhibit "A"; and

5. WHEREAS, the United States has entered into a contract with The Metropolitan Water District of Southern California (hereinafter styled the District) of date April 26, 1930, for the purchase by and delivery to the District under the terms and conditions therein stated of certain electrical energy to be developed at Boulder Dam power plant, a copy of which said contract as amended by supplemental contract of date May 31, 1930, along with the supplemental agreement of July 13, 1938, is attached hereto, marked Exhibit 1; and

6. WHEREAS, the District will be unable for a period of years from and after the date when it is required to take and/or pay for firm energy under the provisions of said Exhibit 1 hereof to use a portion of such energy for the only purpose for which energy has been allocated to and purchased by the District, namely, for pumping water into and in its aqueduct, and has requested the Secretary to dispose of such excess energy pursuant to and in accordance with the provisions of Article seven (7) of said Exhibit 1 until required by the District; and

7. WHEREAS, the Company has made application to the Secretary for the resale to it for the term of this contract of a part of the firm energy contracted for by the District, but which will not be required, temporarily, for pumping water into and in the aforesaid aqueduct;

8. NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to wit:

SALE OF ENERGY

9. Subject to all of the terms and conditions of the contracts hereinbefore referred to as Exhibits 1 and "A", except as such contracts may be modified by articles 10 and 11 hereof, the United States agrees that, of the firm energy to be developed at Boulder Dam power plant and heretofore allocated to and contracted for by the District, the Company shall have the right to take, for a period beginning on the date when generating equipment leased by said Company under the contract marked Exhibit "A" attached to Exhibit 1 hereof is installed by the United States and ready for operation, and ending on the date when energy becomes available to the Company under said contract marked Exhibit "A", 50,000,000 kilowatt hours, plus such additional amount as may be desired by the Company and from time to time during the period of this contract may remain unsold, available, and unused by the District; but such additional energy together with the said 50,000,000 kilowatt hours shall not, during the term of this contract, exceed the percentage of energy allocated to and remaining unused by the District and unsold for its account to purchasers other than the lessees, for which the Company would have the first and initial right to contract under Article 14 of Exhibit "A" and all other outstanding con-

tracts; provided, the Company shall not in any month be entitled to any energy in excess of the amount which the Secretary is in a position to make available to, and does make available to, the City during such month at the same price if and as requested by the City ten (10) days prior to the commencement of lected by the State of Arizona upon the energy, the subject matter of this month, if the City does not make such request, or, if made, the amount of such energy so requested is so made available. The right of the Secretary, as provided in existing contracts, to dispose of energy allotted to but from time to time remaining unused by the District and unsold for its account to purchasers other than The City and The Company (except as to the 50 million kilowatt hours herein disposed of to The Company), shall not be diminished or impaired hereby.

The minimum amount of firm energy that shall be taken and/or paid for by the Company under this contract shall be fifty million (50,000,000) kilowatt-hours; provided, however, that in the event the date when the Company is required to take and/or pay for energy under its said contract, marked Exhibit "A" attached to Exhibit 1 hereof, shall be advanced, pursuant to the provisions of paragraph (c) of Article eleven of said Exhibit "A", to a date earlier than three years after the commencement of delivery of energy to the City, the obligation hereinabove set out to take and/or pay for a minimum of fifty million (50,000,000) kilowatt-hours shall not be binding upon the Company but the Company shall pay for the amount of energy actually used by it hereunder at the rate hereinafter provided.

DELIVERY OF WATER FOR GENERATION OF ELECTRICAL ENERGY

10. The United States will operate and maintain Boulder Dam, Lake Mead, pressure tunnels, penstocks to but not inclusive of the shut-off valves at the inlets to the turbine casings, and outlet works, and subject to all the terms and conditions hereof, any provision of Exhibit 1 and/or Exhibit "A" hereinbefore referred to notwithstanding, will deliver water continuously to the Company in the quantity, in the manner, and at the times necessary for the generation of the energy which the Company has the right to take hereunder; provided, however, that the aforesaid dam and the reservoir created thereby will be operated and used: First, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of perfected rights in pursuance of Article VIII of the Colorado River Compact; and third, for power, and this contract is made upon the express condition, and with the express covenant, that the several rights of the City and the Company and/or the District to the waters of the Colorado River, or its tributaries, are subject to, and controlled by, the Colorado River Compact. The United States reserves the right temporarily to discontinue or reduce the delivery of water for the generation of energy at any time for the purpose of maintenance, re-

pairs, and/or replacements, or installation of equipment, and for investigations and inspections necessary thereto; provided, however, that the United States shall, except in cases of emergency, give to the Company reasonable notice in advance of such temporary discontinuance or reduction, and that the United States shall make such inspections and perform such maintenance and repair work and installation of equipment after consultation with the Company at such times and in such manner as will cause the least inconvenience to the Company, and shall prosecute such work with diligence, and, without unnecessary delay, will resume delivery of water so discontinued or reduced. In no event shall any liability accrue against the United States, its officers, agents and/or employees, for any damage, direct or indirect, arising on account of drought, hostile diversion, Act of God, or of the public enemy, or other similar cause.

MACHINERY AND POWER PLANT FACILITIES

11. Any previous provision of Exhibit 1 and/or Exhibit "A" hereinbefore referred to notwithstanding, it is understood and agreed that the machinery and power plant facilities and equipment that will be used for the generation of the electrical energy contracted for hereunder, will be the machinery, equipment and facilities leased by the Company under the aforesaid lease-contract of April 26, 1930, as amended, and nothing herein contained, or the use of such machinery, equipment and facilities during the period this supplemental contract is in effect, shall change, alter, modify, or in any way affect the provisions of the aforesaid lease-contract of April 26, 1930, as amended, regarding the compensation to be paid for the machinery leased thereunder, or the time of commencement of payment of such compensation. At the end of the term of this contract all of the machinery, equipment and corresponding plant facilities used during the term hereof for the generation of the electrical energy herein contracted for, will be accepted and used by the Company in fulfillment of its obligations to generate electrical energy for the use and benefit of the Company under its said lease contract of April 26, 1930, as amended, and in fulfillment of the obligation of the United States to furnish and install generating equipment for such purpose.

OPERATION AND MAINTENANCE OF POWER PLANT

12. The Secretary will notify the Company, in writing, of the date when generating equipment leased by and installed for the use of the Company under said contract marked Exhibit "A" of sufficient capacity for the generation of the electrical energy herein contracted for, is complete and ready for operation, and upon the date specified in such notification the Company shall assume operation and maintenance of that portion of the power plant containing the machinery and equipment so installed for use by the Company, and, thereafter,

during the term of this contract, shall save the United States, its officers, agents and employees harmless as to injury and damage to persons and property which may in any manner arise out of the operation and maintenance of the portion of such power plant leased to it by said contract marked Exhibit "A." Machinery and equipment leased to the Company under said contract marked Exhibit "A" and used for the generation of electrical energy contracted for hereunder shall be maintained in first class operating condition at the sole cost and expense of the Company throughout the term of this contract under the supervision of a director appointed by the Secretary. The said director shall have, among other powers, authority to enforce rules and regulations promulgated by the Secretary in accordance with the Boulder Canyon project act respecting the operation and maintenance of the power plant and operating works and structures.

CHARGES TO BE PAID THE UNITED STATES FOR CREDIT TO THE DISTRICT

13. In consideration of this contract, the Company agrees to pay the United States, for credit to the District, for the use of falling water for generation of energy by the Company under this contract at the rate of one-half mill ($0.0005) per kilowat-hour (delivered at transmission voltage).

MONTHLY PAYMENTS AND PENALTIES

14. The Company shall pay monthly for energy in accordance with the rate established or provided for herein. The United States will submit bills to the Company by the fifth of each month immediately following the month during which the energy is generated, and payments shall be due on the first day of he month immediately succeeding. If such charges are not paid when due, a penalty of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional penalty of one per centum (1%) of the amount unpaid shall be added on the first day of each calendar month thereafter during such delinquency. In the event that at the end of the term hereof the Company shall have taken and/or paid for less than fifty million (50,000,000) kilowatt-hours of electrical energy, the closing bill hereunder shall be so adjusted and paid as to satisfy the minimum obligation of the Company hereunder, unless said minimum obligation has become inoperative under paragraph 9 hereof.

NO ENERGY TO BE DELIVERED WITHOUT PAYMENT

15. Unless the written consent of the Secretary be first obtained, no electrical energy shall be generated hereunder by the Company if it shall be in arrears for more than twelve (12) months in the payment of any charge and/or

penalty due the United States hereunder, whether for its own use or for credit to the District.

CONTRACT MAY BE TERMINATED IN CASE OF BREACH

16. If the Company shall be in arrears for more than twelve (12) months in the payment of any charge and/or penalty due the United States hereunder (and shall not have obtained an extension of time for payment thereof, or if such extension be obtained, has not made such payment within the time as extended), then the Secretary reserves the right forthwith upon written notice to the Company to terminate this contract and such remedy shall be deemed to be in addition to any other rights the United States may have hereunder, and not as a limitation or waiver of such other rights. Nothing contained in this contract shall relieve the Company from the obligation to make the United States whole, for the period of this contract, for all loss and/or damage occasioned by the failure of the Company to take and/or pay for energy as provided in this contract.

MEASUREMENT OF ENERGY

17. All energy will be measured at transmission voltage, by meters installed by the United States under the provisions of said Exhibit "A" attached to Exhibit 1 hereof. The said meter equipment shall be maintained by and at the expense of the Company. Meters shall be tested at any reasonable time upon the request of either the United States or the Company, and in any event they shall be tested at least once each year. If the test discloses that the error of any meter exceeds one per centum (1%), such meter shall be adjusted so that the error does not exceed one-half of one per centum (½%). If any such test discloses that the meter is more than one per centum (1%) fast or more than one per centum (1%) slow, and the period of such error is known or can be ascertained, adjustment shall be made by refund or additional payment, as the case may be, for the period during which the error shall have existed. If any such test shall disclose that the meter is more than one per centum (1%) fast or more than one per centum (1%) slow, and the period of such error is unknown, or cannot be ascertained with reasonable certainty, adjustment shall be made by refund or additional payment, as the case may be, based on corrected meter readings for the three months next preceding such test during which the meter in question was in use. Meter equipment shall be tested by means of suitable testing equipment which will be provided by the United States and which shall be calibrated by the National Bureau of Standards. Meters shall be kept sealed, and the seals shall be broken only in the presence of representatives of both the United States and the Company, and likewise all tests of meter equipment shall be conducted only when representatives of both the United States and the Company are present.

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INSPECTION BY THE UNITED STATES

18. The Secretary or his representatives shall at all times have the right of ingress to and egress from all works of the Company for the purpose of inspection, repair and maintenance of works of the United States, and for all other proper purposes. The Secretary or his representatives shall also have free access at all reasonable times to the books and records of the Company relating to the receipt and transmission of electrical energy hereunder with the right at any time during office hours to make copies of or from the same.

TITLE TO REMAIN IN THE UNITED STATES

19. As provided by Section six (6) of the Boulder Canyon project act, the title to Boulder Dam, Lake Mead, Boulder Dam power plant and incidental works and equipment used for the generation of electrical energy contracted for hereunder, shall forever remain in the United States.

PRIORITY OF CLAIMS OF THE UNITED STATES

20. Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured.

RULES AND REGULATIONS

21. This contract is subject to such rules and regulations conforming to the Boulder Canyon project act as the Secretary may from time to time promulgate; provided, however, that no right of the Company hereunder shall be impaired or obligation of the Company hereunder extended thereby, and provided further, that opportunity for hearing shall be afforded the Company by the Secretary prior to promulgation thereof.

CONTRACT SUBJECT TO COLORADO RIVER COMPACT

22. This contract is made upon the express condition and with the express understanding that all rights hereunder shall be subject to and controlled by the Colorado River Compact, being the compact or agreement signed at Santa Fe, New Mexico, November 24, 1922, pursuant to Act of Congress approved August 19, 1921, entitled "An Act to permit a compact or agreement between the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming, respecting the disposition and apportionment of the waters of the Colorado River, and for other purposes," which compact was approved in Section 13 (a) of the Boulder Canyon Project act.

BREACHES OF CONTRACT

23. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any other provision hereof or of a subsequent breach of such provision.

TRANSFER OF INTEREST IN CONTRACT

24. No voluntary transfer of this contract, or of the rights hereunder, shall be made without the written approval of the Secretary; and any successor or assign of the rights of the Company, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the provisions of the Boulder Canyon project act, and also subject to all the provisions and conditions of this contract to the same extent as though such successor or assign were the original contractor hereunder; provided, that a mortgage or trust deed or judicial sale made hereunder shall not be deemed voluntary transfers within the meaning of this article.

DISPUTES OR DISAGREEMENTS

25. Disputes or disagreements between the United States and the Company as to the interpretation or performance of the provisions of this contract shall be determined either by arbitration or court proceedings, the Secretary being authorized to act for the United States in such proceedings. Whenever a controversy arises out of this contract, and the disputants agree to submit the matter to arbitration, the Company shall name one arbitrator and the Secretary shall name one arbitrator, and the two arbitrators thus chosen shall elect three other arbitrators, but in the event of their failure to name all or any of the three arbitrators within five (5) days after their first meeting, such arbitrators, not so elected, shall be named by the Senior Judge of the United States Circuit Court of Appeals for the Ninth Circuit. The decision of any three of such arbitrators shall be a valid and binding award of the arbitrators.

CONTINGENT UPON APPROPRIATIONS

26. This contract is subject to appropriations being made by Congress from year to year of moneys sufficient to do the work provided for herein, and to there being sufficient moneys available in the Colorado River Dam fund to permit allotments to be made for the performance of such work. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient moneys not being so appropriated or on account of there not being sufficient moneys in the Colorado River Dam fund to permit of said allotments.

27. Nothing herein or in the consent of the City hereto or resulting from

any operation hereunder shall be construed or permitted to affect the determination, provided for in Article (12) of Exhibit 1 hereof, of "cost" as therein defined.

28. No Member of or Delegate to Congress or Resident Commissioner shall be admited to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By HARRY SLATTERY,
Under Secretary of the Interior.

Approved as to form:
ROY V. REPPY, *General Counsel.*
By G. E. T. *Attorney.*

SOUTHERN CALIFORNIA EDISON COMPANY LTD.
By F. B. LEWIS, *Vice President.*

Attest:
LUTHER J. LEE, *Assistant Secretary.*

[SEAL]

Subject to the provisions of Article 27 of the foregoing agreement, and this consent being limited thereby, THE CITY OF LOS ANGELES, acting by and through its Board of Water and Power Commissioners, and the DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, hereby consents to the foregoing contract between The United States of America and Southern California Edison Company Ltd., and agrees that notwithstanding any of the provisions of that certain contract between The United States of America, as lessor, and The City of Los Angeles (and its Department of Water and Power) and Southern California Edison Company Ltd., as lessees, of date April 26, 1930, as amended by supplemental contracts of dates May 28, 1930, September 23, 1931, and July 6, 1938, electrical energy to be purchased by Southern California Edison Company Ltd., under and pursuant to the terms of the foregoing contract may be generated by Southern California Edison Company Ltd., by the use of machinery and equipment to be installed in Boulder Dam power plant pursuant to the provisions of the aforesaid contract of April 26, 1930, as amended, for the use and benefit of said company, provided that such

generation shall be without expense to The City of Los Angeles or its Department of Water and Power.

THE CITY OF LOS ANGELES, acting by and through its Board of Water and Power Commissioner.

By A. J. MULLEN, *President.*

Attest:

JAS P. VROMAN, *Secretary.*

[SEAL]

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, by the Board of Water and Power Commissioners,

By A. J. MULLEN, *President.*

Attest:

JAS. P. VROMAN, *Secretary.*

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, a public corporation organized and existing under and by virtue of the laws of the State of California, as evidence of its consent to and approval of this contract, has caused its corporate name to be subscribed hereto by its officers thereunto duly authorized as of the day and year first above written.

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA,

By F. E. WEYMOUTH,
General Manager and Chief Engineer.

Attest:

A. L. GRAM,
Executive Secretary of The Metropolitan Water District of Southern California.

[SEAL]

Approved as to form and execution:

JAMES H. HOWARD, *General Counsel.*

RESOLUTION

RESOLVED, that the President and any Vice-President be and each of them hereby is authorized and empowered to make, sign, execute and deliver, for and on behalf of this company and as its act and deed, any and all options, deeds, permits, licenses, stipulations, contracts, bonds and other instruments between this company and the Federal Power Commission or any duly authorized officer or representative thereof, and between this company and the Secretary of Agriculture, or any duly authorized representative of such Secretary, and between this company and the Secretary of the Interior, or any duly authorized representative of such Secretary.

STATE OF CALIFORNIA,
County of Los Angeles, } ss:

I, CLIFTON PETERS, Secretary of Southern California Edison Company Ltd. (formerly Southern California Edison Company), do hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted by the Board of Directors of Southern California Edison Company, a corporation, at a meeting of the said Board held at the office of the Company, No. 1210 Edison Building, 306 West Third Street, Los Angeles, California, on Friday, April 1, 1921; that said resolution has never been repealed or rescinded, and the same was on the 14th day of October, 1938, in full force and effect; and that on said date F. B. Lewis was Vice-President and Luther J. Lee was Assistant Secretary of said Company.

IN WITNESS WHEREOF, I have hereunto affixed the seal of said Southern California Edison Company Ltd., and have hereunto signed my name, this 17th day of October, 1938.

SOUTHERN CALIFORNIA EDISON COMPANY LTD.,
(Signed) CLIFTON PETERS, *Secretary.*

[SEAL]

RESOLUTION NO. 2838

BE IT RESOLVED, by the Board of Directors of the Metropolitan Water District of Southern California, that upon the execution by the United States of America and the Southern California Edison Company Ltd., of the proposed contract, in the form approved concurrently herewith, for the sale to the Southern California Edison Company Ltd. of District unused energy, the General Manager and Chief Engineer of the District be, and he hereby is, authorized and directed to execute, on behalf of the District, the form of approval of said contract attached thereto, and that the Executive Secretary be, and he hereby is, authorized and directed to attest the signature of the General Manager and Chief Engineer and affix to said agreement the corporate seal of the District.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California at its meeting held September 30, 1938, and that the said resolution was, on the 14th day of October, 1938, and at the date hereof still is, unrepealed and in full force and effect.

A. L. GRAM,
Executive Secretary of The Metropolitan Water District of Southern California.

Dated: October 18, 1938.

[SEAL]

RESOLUTION NO. 165

WHEREAS, the United States of America and Southern California Edison Company Ltd., have negotiated a contract relating to the purchase by the latter of certain unused Metropolitan Water Disrict energy at Boulder Dam, a copy of which contract, together with a form of assent thereto by the Ciy, is annexed; and,

WHEREAS, Meropolitan Water District has requested that the City execute the assent to said contract; and,

WHEREAS, it is to the interest of the City and the Department of Water and Power to execute the said assent to said contract.

NOW, THEREFORE, BE IT RESOLVED that the appropriate officers of the Board be authorized and instructed to execute on behalf of the City and the Department of Water and Power the assent to said contract in the form attached to the draft of said contract.

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of a resolution adopted by the Board of Water and Power Commissioners of The City of Los Angeles at its meeting held September 27, 1938.

(Signed) JAS. P. VROMAN, *Secretary.*

[SEAL]

[ITEM 63]

BOULDER CANYON PROJECT

SUPPLEMENTAL CONTRACT NEVADA NO. 2 FOR ELECTRICAL ENERGY

THE UNITED STATES

AND

STATE OF NEVADA

DECEMBER 7, 1939

(I2r–6052)

1. THIS SUPPLEMENTAL CONTRACT, made this seventh day of December, nineteen hundred thirty-nine, pursuant to the Act of Congress approved June 17, 1902 (32 Stat., 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21 1928 (45 Stat., 1057), designated the Boulder Canyon project act, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by the contracting officer executing this supplemental contract, thereunto duly authorized by the Secretary of the Interior, hereinafter styled the Secretary, and STATE OF NEVADA, a body politic and corporate, and its Colorado River Commission (said Commission acting

herein in the name of the State, but as principal in its own behalf as well as in behalf of the State; the term State as used in this supplemental contract being deemed to be both the State of Nevada and its Colorado River Commission), acting in pursuance of an act of the Legislature of the State of Nevada, entitled "An Act creating a commission to be known as the Colorado river commission of Nevada, defining its powers and duties, and making an appropriation for the expenses thereof, and repealing all acts and parts of acts in conflict with this act," approved March 20, 1935 (Chapter 71, Stats. of Nevada, 1935), both said State of Nevada and its Colorado River Commission being hereinafter collectively referred to as the State:

WITNESSETH:

EXPLANATORY RECITALS

2. WHEREAS, under date of May 6th, 1936, the parties hereto entered into a contract (Symbol and Number 12r–6052) providing for the delivery of four million (4,000,000) kilowatt-hours annually of firm energy to be developed at Boulder Dam power plant, and under date of April 23rd, 1938, the parties hereto entered into a supplemental contract designated Supplemental Contract Nevada No. 1 for Electrical Energy providing for the delivery of an additional nine million (9,000,000) kilowatt-hours annually of firm energy to be developed at Boulder Dam power plant, and it is now desired to amend said contract so as to provide for the delivery of a further additional eight million one hundred fifty thousand (8,150,000) kilowatt-hours annually of firm energy to the State; and

3. WHEREAS, by contract dated the 6th day of July, 1938 (symbol and number 11r–646), between the United States and The City of Los Angeles and its Department of Water and Power, the term for the amortization of the cost of generating machinery and equipment as provided in Article (9) (a) of Exhibit "A" of the aforesaid contract of May 6, 1936, was extended to a period terminating with the term of said Exhibit "A," and the State now desires a similar formal extension of time for the payment by the State to the United States for credit to The City of Los Angeles and its Department of Water and Power, as its generating agency, of so much of the payments provided for in Article thirteen (13) of the aforesaid contract of May 6, 1936, as represents a proper proportionate allowance for the amortization of the cost of machinery and equipment therein referred to;

4. NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to wit:

ALLOCATION OF ELECTRICAL ENERGY

5. Article nine (9) A of the aforesaid contract of date May 6th, 1936, as amended by supplemental contract of April 23rd, 1938, is hereby amended so as to read as follows:

A. To the State of Nevada, for use in Nevada, not exceeding eighteen per centum (18%) of said total firm energy, whereof twenty-one million one hundred fifty thousand (21,150,000) kilowatt-hours annually (June 1st to May 31st, inclusive) of said firm energy shall be taken and/or paid for by the State under the provisions of this contract.

MINIMUM ANNUAL PAYMENT

6. Article fifteen (15) of the aforesaid contract of May 6th, 1936, as amended by Supplemental Contract of April 23, 1938, is hereby amended to read as follows:

15. The minimum quantity of firm energy which the State shall take and/or pay for each year (June 1st to May 31st, inclusive), under the terms of this contract, and after the same is ready for delivery to the State, as provided in subdivision (a) of Article twelve (12) hereof, shall be twenty-one million one hundred fifty thousand (21,150,000) kilowatt-hours. The total payments made by the State for firm energy available in any year (June 1st to May 31st, inclusive), whether any energy is taken by it, or not, exclusive of its payments for credit to the generating agency, shall be not less than the number of kilowatt-hours of firm energy which the State is obligated to take and/or pay for during said year, multiplied by one and sixty-three hundredths mills ($0.00163), or multiplied by the adjusted rate of payment for firm energy in case the said rate is adjusted as provided in Article thirteen (13) hereof. For a fractional year at the beginning or end of the contract period, the minimum annual payment for firm energy shall be proportionately adjusted in the ratio that the number of days water is available for generation of energy in such fractional year bears to three hundred sixty-five (365). Provided, that the minimum annual payment shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article eighteen (18) hereof.

The minimum annual payments made by the State for generation of such energy, to be credited to the generating agency, shall be determined in accordance with Article thirteen (13) hereof.

COMPENSATION FOR USE OF MACHINERY

7. The time for the payment by the State to the United States for credit to The City of Los Angeles and its Department of Water and Power of so much of the payments provided for in Article thirteen (13) of the aforesaid contract of May 6, 1936, as represents a proper proportionate allowance for amortization of the cost of machinery and equipment therein referred to is hereby extended to correspond in all respects with the extension granted The City of Los Angeles and its Department of Water and Power by the aforesaid contract of date July 6th, 1938; provided, that the State shall pay interest at the rate chargeable to the Colorado River Dam fund on the unpaid balance of said proper proportionate allowance for amortization of the cost of machinery and equipment. No prepayment by The City of Los Angeles and its Department of Water and Power, pursuant to any right of prepayment which may be reserved by or granted to it in connection with the ex-

tension provided for in the aforesaid contract of July 6, 1938, shall obligate the State to make any corresponding prepayment of the said proper proportionate allowance for amortization of the cost of machinery and equipment payable by it. The time for the payment by the State to the United States of (a) the payments provided for in Article thirteen (13) of the aforesaid contract of May 6, 1936, for the amortization of the cost of machinery and equipment installed for the exclusive benefit of the State, or (b) so much of the payments provided for in said Article thirteen (13) as represents a proper proportionate allowance for the amortization of the cost of machinery and equipment installed partially for the benefit of the State, and partially for the benefit of others, exclusive of The City of Los Angeles and its Department of Water and Power, is hereby similarly extended. The State shall have the option to pay at any time the unpaid balance, or any part thereof, of the cost of machinery and equipment chargeable to it.

MODIFICATION OF PRIOR CONTRACT

8. Except as expressly herein amended, the aforesaid contract of date May 6th, 1936, as amended by the aforesaid supplemental contract of date April 23rd, 1938, shall be and remain in full force and effect; subject, however, to termination as therein stated.

EFFECTIVE DATE OF SUPPLEMENTAL CONTRACT NEVADA NO. 2

9. This supplemental contract shall become of full force and effect immediately upon its execution for and on behalf of the United States.

OFFICIALS NOT TO BENEFIT

10. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this supplemental contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By R. F. WALTER,
Chief Engineer, Bureau of Reclamation.

STATE OF NEVADA, acting by and through its Colorado River Commission.
By E. P. CARVILLE, *Chairman.*

Attest:
ALFRED MERRITT SMITH, *Secretary.*

COLORADO RIVER COMMISSION OF NEVADA,
By E. P. CARVILLE, *Chairman.*

Attest:
ALFRED MERRITT SMITH, *Secretary.*

Ratified and approved
this 7th day of December, 1939.
E. P. CARVILLE,
Governor of the State of Nevada.

Attest:
MALCOLM MCEACHIN,
Secretary of State.

CERTIFICATE OF THE SECRETARY OF STATE

I, MALCOLM MCEACHIN, the duly appointed, qualified and acting Secretary of State of the State of Nevada, do hereby certify that Honorable E. P. Carville is now, and was at the time of the execution of that certain contract to which this certificate is attached, concerning the delivery of electrical energy from Boulder Dam to the State of Nevada, between the Colorado River Commission of the State of Nevada and the United States of America, the duly elected, qualified and acting Governor of the State of Nevada, and, by virtue of said office, was then and is now the Chairman of the Colorado River Commission of Nevada; that Alfred Merritt Smith is now, and was at the time of the execution of said contract, the duly elected, qualified and acting Secretary of the said Colorado River Commission of Nevada; and that the signatures affixed to said contract are the signatures of the said Honorable E. P. Carville, Governor of the State of Nevada and Chairman of the Colorado River Commission of Nevada, and of the said Alfred Merritt Smith, the Secretary of the Colorado River Commission of Nevada.

Dated: This 7th day of December, 1939.

MALCOLM MCEACHIN,
Secretary of State of the State of Nevada.

[SEAL]

CERTIFIED COPY OF RESOLUTION AUTHORIZING EXECUTION OF SUPPLEMENTAL CONTRACT

I, ALFRED MERRITT SMITH, the duly elected, qualified, acting and authorized Secretary of the Colorado River Commission of Nevada, do hereby certify that the following is a true and correct copy of a resolution duly adopted on October 27th, 1938, by the Colorado River Commission of Nevada and appearing in the minutes of the meeting of said Commission held on that date:

RESOLVED: That the Secretary of the Commission is hereby instructed and authorized to apply to the Secretary of the Interior for the purchase of eight million one hundred fifty thousand (8,150,000) kilowatt-hours of electric energy from Boulder Dam plant in addition to the quantity heretofore contracted for under original Contract, Symbol and Number 12r-6052, and its Supplemental Contract No. 1. Contract 12r-6052 is for annual purchase of four million (4,000,000) kilowatt-hours, which was increased to thirteen million (13,000,000) killowatthours by Supplemental Contract No. 1. Supplemental Contract No. 2 is to be supplemental and amendatory to Contracts 12r-6052 and Supplemental Contract No. 1, and will increase the total annual amount of energy purchased by the State to twenty-one million one hundred fifty thousand (21,150,000) kilowatthours.

AND BE IT FURTHER RESOLVED: That the Chairman and Secretary of the Commission be and hereby are authorized to execute and sign the above mentioned Supplemental Contract No. 2 between the State and the United States Government, both acting as aforesaid.

Dated this 7th day of December, 1939.

ALFRED MERRITT SMITH,
Secretary of the Colorado River Commission of Nevada.

[ITEM 64]

BOULDER CANYON PROJECT

CONTRACT FOR RESALE OF ELECTRICAL ENERGY TO BE DEVELOPED AT BOULDER DAM POWER PLANT

THE UNITED STATES

AND

SALT RIVER VALLEY WATER USERS' ASSOCIATION

DECEMBER 23, 1939

(11r–1162)

1. THIS CONTRACT, made this 23rd day of December, nineteen hundred thirty-nine, pursuant to the Act of Congress approved June 17, 1902 (32 Stat., 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat., 1057), designated the Boulder Canyon project act, between

THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by W. C. MENDENHALL, acting under Secretary of the Interior, hereinafter styled the Secretary, and SALT RIVER VALLEY WATER USERS' ASSOCIATION, a corporation organized and existing under and by virtue of the laws of the State of Arizona, hereinafter referred to as the Association:

WITNESSETH:

EXPLANATORY RECITALS

2. WHEREAS, for the purpose of controlling the floods, improving navigation and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters for reclamation of public lands and other beneficial uses exclusively within the United States, and for the generation of electrical energy, the Secretary, subject to the terms of the Colorado River Compact, is authorized to construct, operate and maintain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon, adequate to create a storage reservoir of a capacity of not less than twenty million acre-feet of water; also to construct, equip, operate and maintain at or near said dam, or cause to be constructed a complete plant and incidental structures suitable for the fullest economic development of electrical energy from the water discharged from said reservoir; and

3. WHEREAS, after full consideration of the advantages of both the Black Canyon and Boulder Canyon dam sites, the Secretary has determined upon Black Canyon as the site of the aforesaid dam, hereinafter styled the Boulder Dam, and has determined that the provisions for revenues made by contracts in accordance with the provisions of the Boulder Canyon project act, are adequate in his judgment to insure payment of all expenses of operation and maintenance of the Boulder Dam and appurtenant works incurred by the United States, and the repayment within fifty (50) years from the date of completion of said works of all amounts advanced to the Colorado River Dam fund under subdivision (b) of Section two (2) of the Boulder Canyon project act, together with interest thereon made reimbursable under said act, and

4. WHEREAS, the United States has entered into a contract of date April 26, 1930, with The City of Los Angeles (hereinafter styled the City) and Southern California Edison Company Ltd., severally (both hereinafter referred to as the lessees) for the lease, and for the operation and maintenance of a government-built power plant to be constructed at Boulder Dam as aforesaid, together with the right to generate electrical energy as therein stated, a copy of which said lease-contract as amended by supplemental contracts of dates May 28, 1930, and September 23, 1931, is attached to Exhibit 1 hereof, marked Exhibit "A"; and

5. WHEREAS, in said lease-contract of April 26, 1930, as amended, the

Secretary has reserved the authority to, and in consideration of the execution thereof is authorized by each of the aforesaid lessees, severally, to contract with the other allottees named in the allocation set forth therein for the furnishing of energy to such allottees at transmission voltage in accordance with the allocation to each allottee, and the Secretary is therein granted by each lessee, severally, the power in accordance with the provisions thereof to enforce as against each lessee the rights to be acquired by such other allottees by contracts to be entered into with the United States, and said lease-contract the City has agreed, among other things, to generate energy allocated to The Metropolitan Water District of Southern California (hereinafter referred to as the District); and

6. WHEREAS, the United States has entered into a contract with the District of date April 26, 1930, for the purchase by and delivery to the District under the terms and conditions therein stated of certain electrical energy to be developed at Boulder Dam power plant, a copy of which contract as amended by supplemental contract of date May 31, 1930, is attached hereto, marked Exhibit 1, and by this reference made a part hereof as fully and completely as though set out herein at length; and

7. WHEREAS, the District will be unable for a period of years from and after the date when it is required to take and/or pay for firm energy under the provisions of said Exhibit 1 hereof to use a portion of such energy for the only purpose for which energy has been allocated to and purchased by the District, namely, for pumping water into and in its aqueduct, and has requested the Secretary to dispose of such excess energy pursuant to and in accordance with the provisions of Article seven (7) of said Exhibit 1 until required by the District; and each lessee under the said lease, marked Exhibit "A" attached to Exhibit 1 hereof, has been given the opportunity, as provided in said Article seven (7) to contract for said unused energy upon the terms and conditions herein stated and has declined so to contract; and

8. WHEREAS, the Association is a corporation engaged in the operation and maintenance of the Salt River Valley Federal irrigation project, and in connection therewith is also engaged in the generation, distribution and sale of electrical energy in the State of Arizona, and has made application to the Secretary for the resale to it for the term of this contract of a part of the firm energy contracted for by the District, but which will not be required, temporarily, for pumping water into and in the aforesaid aqueduct;

9. NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to wit:

SALE OF ENERGY

10. The United States agrees, subject to all the terms and conditions of Exhibit 1 hereof, that of the firm energy to be developed at Boulder Dam

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power plant, and heretofore allocated to and contracted for by the District, it will cause to be delivered to the Association for a period beginning on the date when (1) facilities for the transmission of electrical energy from Gene Pumping Plant to Parker Dam have been constructed by the District, and (2) transmission facilities from Parker Dam power plant to the vicinity of Phoenix, Arizona (hereinafter referred to as the Parker-Phoenix line), have been constructed by the United States as provided in subdivisions (b) and (c) of Article seven (7) of that certain contract (symbol and number I1r–1114), between the United States and the Association of date May 12, 1939, and ending on May 31, 1945, or on the date when the Chief Engineer of the Bureau of Reclamation notifies the Association in writing that the power plant at Parker Dam agreed to be constructed by the United States as provided in subdivision (a) of Article seven (7) of the aforesaid contract of date May 12, 1939, is ready for operation, whichever date shall be the earlier, so much firm energy (as defined in said Exhibits 1 and A) as may be required by the Association for its own uses and for distribution to its customers, but limited, however, to the capacity of the transmission facilities available as provided in Article eleven (11) hereof and to the operating capacity of the step-down transformers at Gene Pumping Plant, in excess of 2,000 kva., plus the District's requirements, as determined from time to time by the District.

DELIVERY OF ELECTRICAL ENERGY

11. Energy will be delivered to the Association in Arizona adjacent to Parker Dam at a point to be designated by the Chief Engineer of the Bureau of Reclamation at approximately 69,000 volts in form of three (3) phase alternating current at a frequency of approximately sixty (60) cycles per second, by means of the District's transmission facilities between Boulder Dam power plant and Parker Dam, and by means of a portion of the Parker-Phoenix line. No charge shall be made for the transmission of such energy from Boulder Dam power plant to Gene Pumping Plant. It is understood by the Association that delivery of the energy over the transmission facilities of the District between Boulder Dam power plant and Gene Pumping Plant is to be accomplished by means of any power transmission capacity which for the time being may be in excess of the District's requirements (as determined by the District) and that such use of said transmission facilities is subject at all times to conditions as fixed by the District. The Association shall not be entitled to the delivery of any energy hereunder until it shall have first entered into a contract with the District for the benefit of and without cost to the United States for the use by the United States of the District's step-down transformers a Gene Pumping Plant. The Association at its own sole cost and expense and prior to the delivery of energy hereunder, shall furnish and install a hight-voltage automatic oil circuit breaker and

remote control equipment or other disconnecting facilities of a type and in manner satisfactory to the Chief Engineer of the Bureau of Reclamation at the point where the District's transmission line connects with the Parker-Phoenix line at Parker Dam. Said disconnecting equipment shall remain the property of the Association, but shall be under the complete control of the United States during the term of this contract. Such equipment may be removed by the Association at the termination hereof.

UNITED STATES AND DISTRICT TO BE HELD HARMLESS

12. (a) The Association accepts this agreement with knowledge of, and subject to, the fact that the District's transmission, transforming, and control facilities have been designed and constructed, and will be operated, to meet the requirements of the District, that is, for the purpose of pumping water into and in its aqueduct, and are subject at all times to operating conditions fixed by the District.

(b) The Association agrees to save the District and the United States and their respective officers, agents and employees harmless from any loss, cost or damage on account of any claim of injury to persons or damage to property occurring at the point of delivery of said energy to the Association at Parker Dam or easterly thereof, and arising out of or incidental to operations under this agreement, whether or not such claim may be referable, in whole or in part, to any act or omission of the District or of the United States or any of their respective officers, agents or employees.

CHARGES TO BE PAID THE UNITED STATES FOR CREDIT TO THE DISTRICT

13. (a) In consideration of this contract, the Association agrees to pay the United States, for credit to the District, for the use of falling water for generation of energy for the Association at the rate of one and sixty-three hundredths mills ($0.00163) per kilowatt-hour (delivered at transmission voltage) and $0.28 per month per kilowatt of annual (June 1st to May 31st, inclusive) maximum demand for the generation of energy. For a fractional part of a calendar month at the beginning or at the end of the contract period the generating charge shall be reduced in the ratio that the number of days that power is made available during such fractional calendar month bears to the number of days in said calendar month. Provided that if during any fifteen-minute period of any calendar month, by reason of any act on the part of, or under the control of the District, or the United States, power, as determined by the District, shall not have been made available to the Association equal to an average flow of ten thousand (10,000) kilowatts, then the generating charge for such month shall be equal to twenty-eight (28) cents multiplied by the number of kilowatts average flow of power actually taken by the Association during such fifteen-minute period. Interruptions of service

due to causes beyond the control of the United States or the District shall not make this proviso operative.

(b) The "maximum demand" for any period is defined as the average flow of power during the fifteen-minute interval in which the maximum quantity of energy is taken by the Association during such period.

(c) The charges to be paid hereunder, for credit to the District, for the generation of energy have been determined by agreement between the Association and the District. It is expressly understood and agreed that nothing in this Article thirteen (13) shall be construed as a determination by the Secretary as to the proper proportionate part of the generating cost payable by the District for credit to its generating agency, or as to the manner or basis of apportionment of the costs of generation under any other contract for the sale of energy generated at Boulder Dam power plant.

USE OF TRANSMISSION FACILITIES OF THE UNITED STATES

14. The Association may during the term hereof, and without charge for the use thereof, utilize the Parker-Phoenix transmission line for the transmission of electrical energy to be delivered to it hereunder. This permission for the use of said transmission line, however, is subject to the condition that all costs of operation and maintenance thereof shall be borne by the Association, and subject to the further condition that upon termination hereof said line shall be delivered up to the United States in as good condition as when first utilized by the Association, reasonable wear alone excepted.

MONTHLY PAYMENTS AND PENALTIES

15. (a) The Association shall pay monthly for energy in accordance with the rate established or provided for herein, and for the generation thereof as provided in Article thirteen (13) hereof. The United States will submit bills to the Association by the fifth of each month immediately following the month during which the energy is generated and payment shall be due on the first day of the month immediately succeeding. If such charges are not paid when due, a penalty of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional penalty of one per centum (1%) of the amount unpaid shall be added on the first day of each calendar month thereafter during such delinquency.

(b) The charge for generating energy during each month shall be made at the rate specified in Article thirteen (13), for the maximum demand occurring during said month, provided, however, that the generating charge for May of each contract year shall be made in such an amount as will make the total of all such charges for the contract year equal to the product of twenty-eight (28) cents, multiplied by the maximum demand in kilowatts

occurring during said contract year multiplied by the number of months in said contract year during which the generating charges shall not have been reduced by reason of the application of the proviso set out in Article thirteen (13) hereof, plus the generating charges computed as provided in the proviso set out in Article thirteen (13) hereof for each month of said contract year during which, by reason of the application of such proviso, the generating charge shall have been reduced. Should any tax or impost be levied and collected by the State of Arizona upon the energy, the subject matter of this contract, or upon its transformation, delivery, transmission, sale or use or upon the property or means used to accomplish any of the foregoing, the amount thereof shall be paid by the Association.

OPTIONAL CANCELLATION PRIVILEGE

16. The Association shall not be obligated to take and/or pay for any minimum quantity of energy hereunder, but the Secretary may at his option, or at the written request of the District shall, in the manner hereinafter provided, cancel this agreement if the Association shall not have taken delivery of at least six million (6,000,000) kilowatt-hours of energy made available to it under the terms hereof during any quarter (June-August, September-November, December-February, March-May) of each contract year. If notice of cancellation is given, it shall be addressed by the Secretary to the Association in writing within fifteen days after the end of the quarter to which it relates. If notice is not so given, the right of termination, as to said quarter, shall be waived. Each such notice shall provide for a period of thirty (30) days after the delivery of said notice within which the Association shall have the privilege of paying, at the rates herein prescribed, for that portion of six million (6,000,000) kilowatt-hours for which the Association had not theretofore become obligated during said quarter, and an amount for generation of energy sufficient to make the total generating charges for the said quarter equal to not less than Five Thousand and Forty Dollars ($5040.00). If within such 30-day period the Association shall pay for the use of falling water for the generation of said quantity of energy and said generating charges, then the contract shall not be considered to have been affected by the previous failure to take and/or pay for said quantity. If the Association does not so pay within said thirty (30) day period of notice, this contract shall ipso facto terminate upon expiration of said period; provided, that the Secretary may not cancel this contract for failure to take energy as aforesaid, unless such failure has been occasioned by act or omission of the Association or of interests (other than the United States and the District) with which the Association may have contractual relationships respecting the energy covered by this contract. If, upon the termination of this contract, the Association shall have paid for the use of falling water for the generation of electrical energy charges amount-

ing to a total of less than Five Thousand Dollars ($5,000), it shall forthwith pay the balance of that amount, whether it shall have taken any energy or not.

NO ENERGY TO BE DELIVERED WITHOUT PAYMENT

17. Unless the written consent of the Secretary be first obtained, no electrical energy shall be generated for, or delivered to, the Association if it shall be in arrears for more than three (3) months in the payment of any charge and/or penalty due or to become due the United States hereunder, whether for its own use or for credit to the District.

CONTRACT MAY BE TERMINATED IN CASE OF BREACH

18. If the Association shall be in arrears for more than three (3) months in the payment of any charge and/or penalty due or to become due to the United States hereunder (and shall not have obtained an extension of time for payment thereof, or if such extension be obtained, has not made such payment within the time as extended), then the Secretary reserves the right forthwith upon written notice to the Association to terminate this contract, and such remedy shall be deemed to be in addition to any other rights the United States may have hereunder, and not as a limitation or waiver of such other rights. Nothing contained in this contract shall relieve the Association from the obligation to make the United States whole, for the period of this contract, for all loss and/or damage occasioned by the failure of the Association to take and/or pay for energy as provided in this contract.

MEASUREMENT OF ENERGY

19. All energy delivered to the Association will be measured at transmission voltage at Gene Pumping Plant. Suitable correction shall be made in the amount of energy and the maximum demand as thus measured to cover transmission and transformer losses between Boulder Dam power plant and Gene Pumping Plant, which losses the Association hereby agrees to assume. For the purpose of this contract such transformer and transmission losses are hereby agreed to be three per centum (3%) of the amount of energy and the maximum demand as measured at Gene Pumping Plant. The Association, at its sole cost and expense, and prior to the delivery of energy hereunder, shall furnish and install suitable metering equipment of a type and in a manner satisfactory to the Chief Engineer of the Bureau of Reclamation for this purpose. The said meter equipment shall be maintained by and at the expense of the Association. Meters shall be tested at any reasonable time upon the request of either the United States or the Association, and in any event they shall be tested at least once each year. If the test discloses that the error of any meter exceeds one per centum (1%), such meter shall be ad-

justed so that the error does not exceed one-half of one per centum (½). Proper correction shall be made of the maximum demand and energy recorded subsequent to the beginning of the monthly billing period immediately preceding the test of such meter or meters and such correction shall constitute full adjustment of any claim arising out of such inaccuracy. Meter equipment shall be tested by means of suitable testing equipment which will be provided by the United States and which shall be calibrated by the National Bureau of Standards. Meters shall be kept sealed, and the seals shall be broken only in the presence of representatives of both the United States and the Association, and likewise all tests of meter equipment shall be conducted only when representatives of both the United States and the Association are present.

DELIVERY OF WATER FOR GENERATION OF POWER

20. The United States will operate and maintain Boulder Dam, Lake Mead, pressure tunnels, penstocks to but not inclusive of the shutoff valves at the inlets to the turbine casings, and outlet works, and will deliver water continuously to each lessee of Boulder Dam power plant in the quantity, in the manner, and at the times necessary for the generation of the energy which each of said lessees has the right and/or obligation to generate under the provisions of Exhibit 1 hereof, or under this contract in accordance with the load requirements of each of said lessees, and of allottees for which the respective lessees are generating agencies; provided, however, that the aforesaid dam and the reservoir created thereby will be operated and used: First, for river regulation, improvement of navigation and flood control; second, for irrigation and domestic uses and satisfaction of perfected rights in pursuance of Article VIII of the Colorado River Compact; and third, for power, and this contract is made upon the express condition, and with the express covenant, that the several rights hereunder of the District or the Association to the waters of the Colorado River, or its tributaries, are subject to, and controlled by, the Colorado River Compact. The United States reserves the right temporarily to discontinue or reduce the delivery of water for the generation of energy at any time for the purpose of maintenance, repairs, and/or replacements, or installation of equipment, and for investigations and inspections necessary thereto; provided, however, that the United States shall, except in cases of emergency, give to the lessees reasonable notice in advance of such temporary discontinuance or reduction, and that the United States shall make such inspections and perform such maintenance and repair work after consultation with the lessees at such times and in such manner as will cause the least inconvenience to the lessees, and shall prosecute such work with diligence, and, without unnecessary delay, will resume delivery of water so discontinued or reduced. In no event shall any liability accrue against the United

States, its officers, agents, and/or employees, for any damage, direct or indirect, arising on account of drought, hostile diversion, Act of God, or of the public enemy, or other similar cause.

INSPECTION BY THE UNITED STATES

21. The Secretary or his representatives shall at all times have the right of ingress to and egress from all works of the Association for the purpose of inspection, repair and maintenance of works of the United States, and for all other proper purposes. The Secretary or his representatives shall also have free access at all reasonable times to the books and records of the Association relating to the receipt and transmission of electrical energy hereunder, with the right at any time during office hours to make copies of or from the same.

TITLE TO REMAIN IN THE UNITED STATES

22. As provided by Section six (6) of the Boulder Canyon project act, the title to Boulder Dam, Lake Mead, Boulder Dam power plant and incidental works and equipment installed hereunder by the United States, shall forever remain in the United States.

PRIORITY OF CLAIMS OF THE UNITED STATES

23. Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured.

RULES AND REGULATIONS

24. This contract is subject to such rules and regulations conforming to the Boulder Canyon project act as the Secretary may from time to time promulgate; provided, however, that no right of the Association hereunder shall be impaired or obligation of the Association hereunder extended thereby, and provided further, that opportunity for hearing shall be afforded the Association by the Secretary prior to promulgation thereof.

CONTRACT SUBJECT TO COLORADO RIVER COMPACT

25. This contract is made upon the express condition and with the express understanding that all rights hereunder shall be subject to and controlled by the Colorado River Compact, being the compact or agreement signed at Santa Fe, New Mexico, November 24, 1922, pursuant to Act of Congress approved August 19, 1921, entitled "An act to permit a compact or agreement between the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming, respecting the disposition and apportionment of the waters of

the Colorado River, and for other purposes," which compact was approved by Section 13 (a) of the Boulder Canyon project act.

REMEDIES UNDER CONTRACT NOT EXCLUSIVE

26. Nothing contained in this contract shall be construed as in any manner abridging, limiting or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any other provision hereof or of a subsequent breach of such provision.

TRANSFER OF INTEREST IN CONTRACT

27. No voluntary transfer of this contract, or of the rights hereunder, shall be made without the written approval of the Secretary; and any successor or assign of the rights of the Association, whether by voluntary transfer, judicial sale, forclosure sale, or otherwise, shall be subject to all the provisions of the Boulder Canyon project act, and also subject to all the provisions and conditions of this contract to the same extent as though such successor or assign were the original contractor hereunder; provided, that a mortgage or trust deed or judicial sale made thereunder shall not be deemed voluntary transfers within the meaning of this article.

MODIFICATIONS

28. In the event rates for the use of falling water for the generation of firm energy more favorable than those herein required to be paid by the Association, are granted to the District, then, and in such event, the rates herein agreed to be paid by the Association shall be adjusted so that from and after the date such lesser rates become effective the Association shall not be required to pay rates for the use of falling water for the generation of firm energy greater than those required to be paid by the District; provided, however, that the provisions of this article shall not apply to any load building arrangement, heretofore or hereafter granted the District. The provisions of Article thirty-seven (37) of Exhibit "A" hereof shall not apply to the generating charge herein required to be paid. Said generating charge shall be subject to revision only in the event the four percent (4%) interest rate now charged upon advancements to the Colorado River Dam fund may be reduced. Such reduction shall be in the following proportion, namely: for every reduction of one quarter of one per cent (1¼%) of such interest rate, three quarters of a cent ($0.0075) shall be deducted from the 28 cents per month per kilowatt generating charge, and such revision of generating charges shall be made for the whole effective period during which such lower interest rate is imposed during the term of this contract.

CONTINGENT UPON APPROPRIATIONS

29. This contract is subject to appropriations being made by Congress from year to year of moneys sufficient to do the work provided for herein, and to there being sufficient moneys available in the Colorado River Dam fund to permit allotments to be made for the performance of such work. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient moneys not being so appropriated or on account of there not being sufficient moneys in the Colorado River Dam fund to permit of said allotments.

OFFICIALS NOT TO BENEFIT

30. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
(Signed) W. C. MENDENHALL,
Acting Under Secretary of the Interior.

[SEAL]

SALT RIVER VALLEY WATER
USERS' ASSOCIATION,
(Signed) LIN B. ORME, *President.*

Attest:
F. C. HENSHAW, *Secretary.*

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, a public corporation organized under and by virtue of the laws of the State of California, as evidence of its consent to and approval of this contract, has caused its corporate name to be subscribed hereto by its officers thereunto duly authorized as of the day and year first above written.

Approved as to form and execution:

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA,
(Signed) F. E. WEYMOUTH,
General Manager and Chief Engineer.

[SEAL]

Attest:

(Signed) A. L. GRAM,
Executive Secretary of The Metropolitan Water District of Southern California.

Approved as to form and execution:

(Signed) ARTHUR A. WEBER,
Asst. General Counsel.

[ITEM 65]

BOULDER CANYON PROJECT

CONTRACT FOR USE OF UNUSED CAPACITY OF TRANSFORMERS AT BOULDER CITY PORTAL SUBSTATION, AND OTHER EQUIPMENT SITUATE IN THE VICINITY OF BOULDER POWER PLANT

THE UNITED STATES

AND

SOUTHERN NEVADA POWER COMPANY

DECEMBER 24, 1939

(I2r–10973)

1. THIS CONTRACT, made this 24th day of December, nineteen hundred thirty-nine, pursuant to the Act of Congress approved June 17, 1902 (32 Stat., 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat., 1057), designated the Boulder Canyon project act, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, represented by the contracting officer executing this contract, and SOUTHERN NEVADA POWER COMPANY, a corporation created, organized and existing under and by virtue of the laws of the State of Nevada, with its

principal place of business at Las Vegas, Clark County, Nevada, hereinafter referred to as the Company;

WITNESSETH:

EXPLANATORY RECITALS

2. WHEREAS, the United States has heretofore, to wit, under date of April 26, 1930, entered into a contract (symbol and number I1r–646) with The City of Los Angeles (and its Department of Water and Power) and Southern California Edison Company Ltd., for the lease, and for the operation and maintenance of the Boulder Power Plant; and

3. WHEREAS, a portion of the electrical energy to be generated at Boulder Power Plant under the aforesaid contract has been reserved for and allocated to the State of Nevada, and the said State has heretofore, to wit, under date of May 6, 1936, entered into a contract (symbol and number I2r–6052) with the United States which said contract, as amended by the supplemental contract of date April 23, 1938, provides for the sale to and purchase by the State of Nevada, of a portion of the eletrical energy reserved for and allocated to said State as aforesaid; and

4. WHEREAS, a part of the electrical energy so contracted for by said State has been resold by it under contract with the Company, and in connection with the delivery thereof the Company now desires temporarily to arrange for the use of a part of the capacity of certain equipment of the United States situated at and in the vicinity of Boulder Power Plant:

5. NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to wit:

CONNECTION OF TRANSMISSION LINES

6. The United States hereby grants to the Company license and permission, for a period of two years from and including the date hereof, to connect its transmission line to the Government's Boulder City-Boulder Dam transmission line at Hemenway Wash Junction. Said connection shall be made at the point and in manner as directed by the Chief Engineer of the Bureau of Reclamation, or his duly authorized representative in charge of the Boulder Canyon project. The Company shall at its own cost and expense furnish and install, and maintain in good operating condition, suitable meter equipment and protective equipment all as directed by the Chief Engineer of the Bureau of Reclamation, or his duly authorized representative in charge of Boulder Canyon Project. Said meter equipment shall be tested at any reasonable time upon request of either the United States or the Company. Meter equipment shall be kept sealed and the seals shall be broken only in the presence of representatives of both the United States and the Company, and like-

wise all tests of meter equipment shall be conducted only when representatives of both the United States and the Company are present. The Company shall save the United States harmless as to injury to persons or damage to property which may in any manner arise out of the Company's connection of its transmission line to the Government's Boulder Dam-Boulder City transmission line as authorized by this contract.

LEASE OF EQUIPMENT TO COMPANY

7. The United States hereby leases to the Company for a period of two (2) years from and including the date hereof (a) a part of the capacity of the Government's transformer station situate at the lower portal of the highway tunnel near Boulder Power Plant, and (b) a part of the capacity of the Government's 34-Kv. transmission line circuit from the said transformer station to the point where the Company's transmission line connects with the Government's Boulder Dam-Boulder City transmission line at Hemenway Wash Junction. The capacity of the aforesaid equipment hereby leased to the Company shall at no time exceed a maximum demand of two thousand (2,000) kilowatts.

MONTHLY PAYMENTS AND PENALTIES

8. The Company shall pay the United States monthly for the use of facilities hereby leased to the Company at the rate of One Hundred Thirty-Three Dollars ($133.00) per month during the term hereof. Payment for each month shall be due on the first day of the month immediately succeeding. If such charges are are not paid when due, a penalty of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional penalty of one per centum (1%) of the amount unpaid shall be added on the first day of each calendar month thereafter during such delinquency.

PRIORITY OF CLAIMS OF THE UNITED STATES

9. Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured.

INTEREST IN CONTRACT NOT TRANSFERABLE

10. No interest in this contract is transferable by the Company to any other party, and any such attempted transfer shall cause this contract to become subject to annulment at the option of the United States.

RULES AND REGULATIONS

11. This conract is subject to such rules and regulations conforming to the Boulder Canyon project act as the Secretary of the Interior may from time to

time promulgate; provided, however, that no right of the Company hereunder shall be impaired or obligation of the Company hereunder shall be extended thereby; and provided further that opportunity for hearing shall be afforded the Company by the Secretary of the Interior prior to promulgation thereof.

CONTRACT SUBJECT TO COLORADO RIVER COMPACT

12. This contract is made upon the express condition and with the express understanding that all rights hereunder shall be subject to and controlled by the Colorado River Compact, being the Compact or Agreement signed at Santa Fe, New Mexico, November 24, 1922, pursuant to Act of Congress, approved August 19, 1921, entitled "An Act to permit a contract or agreement between the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming, respecting the disposition and apportionment of the waters of the Colorado River, and for other purposes", which Compact was approved in Section 13 (a) of the Boulder Canyon project act.

CONTINGENT UPON APPROPRIATIONS

13. This contract is subject to apropriations being made by Congress from year to year of moneys sufficient to do the work provided for herein, and to there being sufficient moneys available in the Colorado River Dam fund to permit allotments to be made for the performance of such work. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient moneys not being so appropriated or on account of there not being sufficient moneys in the Colorado River Dam fund to permit of said allotments.

TITLE TO REMAIN IN THE UNITED STATES

14. As provided by Section six (6) of the Boulder Canyon project act, the title to Boulder Dam, reservoir, plant and incidental works, shall forever remain in the United States.

REMEDIES UNDER CONTRACT NOT EXCLUSIVE

15. Nothing in this contract shall be construed as in any manner abridging, limiting, or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any other provision hereof or of a subsequent breach of such provision.

OFFICIALS NOT TO BENEFIT

16. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may

arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By S. O. HARPER,
Acting Chief Engineer,
Bureau of Reclamation.

[SEAL]

SOUTHERN NEVADA POWER COMPANY,
ED. W. CLARK, *President.*

Attest:
C. F. WENGERT, *Secretary.*
Jan. 17, 1940.

833942—50—48

[ITEM 66]

BOULDER CANYON PROJECT

CONTRACT AMENDATORY OF SUPPLEMENTAL CONTRACT OF JUNE 18, 1935

THE CITY OF LOS ANGELES

AND

THE CITY OF PASADENA

JANUARY 30, 1940

THE CITY OF LOS ANGELES, a municipal corporation, and its DEPARTMENT OF WATER AND POWER (said Department acting in the name of the City but as principal in its own behalf as well as in behalf of the City; the term "City" as used in this contract being deemed to be both The City of Los Angeles and its Department of Water and Power), and the CITY OF PASADENA, herein sometime styled the "Municipality," agree:

EXPLANATORY RECITALS

The transmission lines constructed, and being relocated, by the City for the Municipality from Station "A" to the city limits under the provisions of the Supplemental Contract of June 18, 1935, are located, and being relocated, on routes deviating slightly from the routes described in article (8) of such contract. The parties desire to amend article (8) of such contract so that the description therein of said routes will indicate correctly the routes upon which the lines

have been constructed, or are being relocated, and to substitute for the map referred to therein and attached to the Supplemental Contract a map which will indicate correctly such routes.

AMENDMENT OF ARTICLE (8) OF SUPPLEMENTAL CONTRACT OF JUNE 18, 1935

Article (8) of the Supplemental Contract of June 18, 1935, is amended to read as follows, the only changes made being in the description of the routes specified in said article and the substitution of a map delineating correctly such routes for the map attached to such contract:

(8) RIGHTS OVER STREETS

The City hereby grants to the Municipality the right to operate and maintain, in accordance with the provisions of the contract dated September 24, 1931, and this supplemental agreement, the aforesaid two transmission lines on, across, along, and over the streets, alleys, avenues, and highways where said lines are to be located. The general description of the route and the location of said lines are as follows:

Line No. 1 (North Route)

Beginning at Station "A" of the Bureau of Power and Light of The City of Los Angeles, at approximately North Main Street and the Los Angeles River, thence to a point where Cardinal Street and Gibbons Street meet; thence easterly along the north side of Cardinal Street to the east side of Lamar Street; thence easterly along a private right of way to the easterly side of Clover Street; thence in a northerly direction along the east side of Clover Street to Main Street; thence along the east side of Douillard Street to Darwin Street. Thence in an easterly direction along the south side of Darwin Street to the west side of Griffin Avenue. Thence in a northerly direction along the west side of Griffin Avenue to the north side of Avenue 33; thence in a westerly direction along the north side of Avenue 33 to Pasadena Avenue. Thence in a northerly direction along the east side of Pasadena Avenue and Figueroa Street to a point approximately 400 ft. north of Sycamore Park Drive; thence to the north side of Figueroa Street and Woodside Drive and along the north side of Figueroa Street to the west side of Avenue 50; thence along the west side of Avenue 50 to the south side of Marmion Way; thence along the south side of Marmion Way in an easterly or northeasterly direction to the east side of Avenue 56. Thence in a northerly direction along the east side of Avenue 56 to the south side of Baltimore Street; thence in an easterly direction along the south side of Baltimore Street to the east side of Nolden Street; thence in a northerly direction along the east side of Nolden Street to the south side of Meridian Street; thence in an easterly direction along the south side of Meridian Street to Toledo Street; thence easterly on the north side of Meridian Street to Avenue 66; thence along a private right of way to a point on San Pasqual Avenue approximately 335 ft. northeast of the intersection of San Pasqual Avenue and Hough Street; thence along the north side of San Pasqual Avenue to the Los Angeles city limits.

Line No. 2 (South Route)

Beginning at Station "A" of the Bureau of Power and Light of The City of Los Angeles, at approximately North Main Street and the Los Angeles River, thence to a point where Cardinal Street and Gibbons Street meet; thence in an easterly

direction along the south side of Cardinal to Lamar Street; thence in an easterly direction along a private right of way to Moulton Street; thence along the west side of Moulton Street to the north side of North Main Street, thence along the north side of North Main Street to the west side of Griffin Avenue. Thence in a northerly direction along the west side of Griffin Avenue to the south side of Darwin Street; thence in an easterly direction along the south side of Darwin Street to the east side of Gates Avenue; thence in a northerly direction along the east side of Gates Avenue to the south side of Manitou Street. Thence in an easterly direction on the south side of Manitou Street to Thomas Street; thence in a northerly direction along the east side of Thomas Street to the south side of Altura Street; thence in an easterly direction along the south side of Altura Street to the west side of Alta Street; thence in a northerly direction along the west side of Alta Street to the south side of Pomona Street; thence in an easterly direction along the south side of Pomona Street to the east side of Sierra Street; thence in a northerly and northeasterly direction along the east side of Sierra Street to the north side of Mercury Avenue; thence in an easterly direction along the north side of Mercury Avenue to the west side of Boundary Avenue; thence in a northerly direction over Boundary Avenue and Boundary Avenue prolonged to Avenue 57 and Carlota Boulevard; thence in a northerly direction along the west side of Avenue 57 to the west side of Avenue 56; thence along the west side of Avenue 56 to Figueroa Street; thence to the east side of Avenue 56 to Marmion Way. Thence in a northeasterly direction along the south and north sides of Marmion Way to Avenue 59; thence in a northeasterly direction to Avenue 59 and Piedmont Avenue; thence in an easterly direction along the south side of Piedmont Avenue to the south or west side of Avenue 61; thence to the north side of Piedmont Avenue and in an easterly direction to a point where Marmion Way intersects Figueroa Street; thence in an easterly-southerly direction on the south side of Marmion Way to the west side of Avenue 64; thence in a northerly direction on the west side of Avenue 64 to Pollard Street; thence in an easterly direction to Avenue 66; thence in a southeasterly direction on a private right of way and north side of Pollard Street to the south side of San Pasqual Avenue; thence in a northeasterly direction to Hough Street; thence in a northeasterly direction on the north side of San Pasqual Avenue to the Los Angeles city limits.

A map is attached hereto showing in red lines the route of said transmission lines and the streets, alleys, highways, and avenues along and across which said lines are located.

The City also hereby grants to the Municipality the reasonable use of such other streets and alleys within the City as may in the future be necessary for the transmission of said energy, upon the approval by the City Council of the terms, conditions, and location of such other and additional proposed use of said other streets and alleys.

The City further agrees to execute and deliver such easements and rights of way as may be necessary over real property owned by the City, if there be any, required for the construction, operation, and maintenance of said lines.

(3) WHEN EXECUTION OF THIS CONTRACT DEEMED COMPLETE

The execution of this contract by the City shall be deemed complete upon the adoption of an ordinance by the Council of The City of Los Angeles ratifying and confirming the execution thereof by the Board of Water and Power Commissioners.

IN WITNESS WHEREOF, the parties hereto have caused this Amendatory Contract to be executed as of the 30 day of January, 1940.

THE CITY OF LOS ANGELES, acting by and through its Board of Water and Power Commissioner.

By F. D. HOWELL, *Vice President.*

Attest:

JAS P. VROMAN, *Secretary.*

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, by the Board of Water and Power Commissioners,

By F. D. HOWELL, *Vice President.*

Attest:

JAS P. VROMAN, *Secretary.*

THE CITY OF PASADENA,

By A. I. STEWART,

Vice Chairman of the Board of Director of the City of Pasadena.

Attest:

BESSIE CHAMBERLAIN, *City Clerk.*

[ITEM 67]

BOULDER CANYON PROJECT

AGREEMENT ON PROPORTIONATE ALLOWANCE FOR AMORTIZATION OF COST OF MACHINERY AND EQUIPMENT

SOUTHERN CALIFORNIA EDISON COMPANY LTD.

AND

THE NEVADA-CALIFORNIA ELECTRIC CORPORATION

JUNE 7, 1940

1. THIS AGREEMENT, made this 7th day of June, 1940, by and between SOUTHERN CALIFORNIA EDISON COMPANY LTD., A corporation, organized and existing under the laws of the State of California, and having its principal place of business at Los Angeles, California, hereinafter referred to as "Edison Company", and THE NEVADA-CALIFORNIA ELECTRIC CORPORATION, a corporation, organized and existing under the laws of the State of Delaware, and doing business and authorized to do business in the State of California, and having an office and place of business at Riverside, California, hereinafter referred to as the "Nevada Company",

WITNESSETH:

2. WHEREAS, by contract dated April 26, 1930, as amended May 28, 1930, and September 3, 1931, between the United States and Southern California Edison Company Ltd. and the City of Los Angeles and its department of Water and Power, a part of the electrical energy available at the dam and power plant constructed by the United States on the Colorado River, pursuant to the Boulder Canyon project act, approved December 21, 1928, was allocated to said Edison Company and a part thereof was allocated to the Southern Sierras Power Company, and it was provided in said contract that the said Edison Company should generate the energy allocated to the said Southern Sierras Power Company, and

3. WHEREAS, by said contract the United States leased to Edison Company for a term of years such power plant units and corresponding facilities and incidental structures as may be necessary to generate the energy allocated to it and the energy allocated to said Southern Sierras Power Company, together with the right to generate such electrical energy, said machinery and equipment to be installed and owned by the United States and the cost thereof to be repaid, with interest, over a period of years by Edison Company, as provided in said contract, as amended; and

4. WHEREAS, said contract, dated April 26, 1930, provides that Edison Company shall be responsible for the operation and maintenance of that part of the said power plant leased to it, and shall bear the cost thereof, but that the United States will pay said Edison Company in the form of credits upon the account of said Edison Company for amounts due the United States under said contract, the cost incurred by Edison Company in generating energy for other allottees for whom it is the designated generating agency, and will require such other allottees to repay such cost to the United States; and

5. WHEREAS, under date of November 5, 1931, said Southern Sierras Power Company entered into a contract with the United States for the purchase of the energy so allocated to it, as aforesaid, and agreed therein that it, the said Southern Sierras Power Company, would pay to the United States for credit to the account of Edison Company such proportion of the cost incurred by Edison Company in the operation and maintenance of that part of the power plant leased to and operated by it, as aforesaid, as said two companies may agree, or, failing such agreement, as the Secretary of the Interior may determine; and

6. WHEREAS, in each of the aforesaid contracts, it is provided that the term "cost", as used therein with reference to the generation of energy by Edison Company for said Southern Sierras Power Company, shall include

(a) A proper proportionate allowance for amortization of the amounts for which Edison Company is obligated to the United States on account of use of machinery and equipment and interest on the prepayments thereof made by Edison Company, and

(b) A proper proportionate part of any annuity set up by Edison Company in accordance with regulations of the Secretary of the Interior and any additional expenditures made by Edison Company with the approval of the Secretary of the Interior, for the purpose of meeting Edison Company's obligation to make replacements, and

(c) A proper proportionate part of the actual outlay of Edison Company for operating such machinery and equipment and keeping the same in repair, including reasonable overhead charges; and

7. WHEREAS, the said Nevada Company has succeeded, by assignment, to all the right, title and interest of the said Southern Sierras Power Company in and to the said contract of November 5, 1931; and

8. WHEREAS, under and pursuant to the provisions of that certain supple-

mental contract, dated July 22, 1937, between the United States and said Nevada Company, certain machinery and equipment, therein specifically described, was installed by the United States in the power plant constructed at Boulder Dam for use by the Nevada Company in generating electrical energy for the period from the time when said supplemental contract became effective to the time when said Edison Company is obligated or entitled to take energy under the provisions of said contract dated April 26, 1930, which said machinery and equipment has been designated by the United States and is generally known and referred to as Unit A-8; and

9. WHEREAS, it is provided in Article 11 of said supplemental contract dated July 22, 1937, that at the end of the effective period of said supplemental contract all of the machinery and equipment and corresponding plant facilities described in Article 10 of said supplemental contract shall be delivered up to the United States for operation by Edison Company in fulfillment of its obligation to generate electrical energy for the use and benefit of the Nevada Company under its contract with the United States under date of Novembr 5, 1931, and in fulfillment of the obligations of the United States to furnish and install generating equipment for such purpose; and

10. WHEREAS, in consenting to said supplemental contract, Edison Company agreed that the machinery and equipment installed by the United States in accordance with said supplemental contract will, if the same be delivered to it in good operating condition at the expiration of the term of said supplemental contract, be accepted by Edison Company as the machinery and equipment to be operated by it for the benefit of the Nevada Company, as successor in interest to the Southern Sierras Power Company, in fulfillment of its obligation to generate electric energy for the benefit of the said Nevada Comapny under the aforesaid contract of April 26, 1930, and in fulfillment of the obligations of the United States under said last mentioned contract to furnish and install generating equipment for such purpose; and

11. WHEREAS, said contract, dated April 26, 1930, as amended, as aforesaid, provides in paragraph (c) of article (11) that,

> (c) Energy shall be ready for delivery to the company when the Secretary announces that water capable of generating four billion two hundred forty million (4,240,000,000) kilowatt-hours of energy per year is available, which data, however, shall not be sooner than three (3) years after commencement of delivery of energy to the city and which shall not be until the water surface in Boulder Canyon reservoir on August 1 immediately preceding has reached an elevation of eleven hundred fifty (1,150) feet above sea level (United States Geological Survey datum);

and

12. WHEREAS, pursuant to notice given by the Secretary of the Interior as provided in paragraph (a) of article (11) of said contract dated April 26, 1930, the delivery of energy under said contract was commenced to the City of Los Angeles on June 1, 1937; and

13. WHEREAS, it is the desire of the parties hereto now to agree upon the proportionate part of the cost, as defined in the aforesaid contract, incurred by Edison Company in the operation and maintenance of that part of the power plant leased to and operated by it, as aforesaid, that shall be paid by the Nevada Company to the United States for credit to Edison Company, as provided in the aforesaid contracts;

14. NOW THEREFORE, for and in consideration of the premises, it is mutually agreed as follows:

15. The proportionate allowance for amortization of the cost of machinery and equipment, exclusive of common station facilities hereinafter provided for, installed and used for the benefit of both companies that shall be paid by the Nevada Company to the United States for credit to Edison Company shall be the actual cost of the machinery and equipment now installed and operated by Edison Company for the benefit of the Nevada Company, and the actual interest on the prepayments thereof made by Edison Company.

16. The part of the annuity set up by Edison Company in accordance with the regulations of the Secretary of the Interior and the part of any additional expenditures made by Edison Company with the approval of the Secretary, for the purpose of meeting its obligation under its contract aforesaid with the United States to make replacements (exclusive of replacements of common plant facilities hereinafter provided for), that shall be paid to the United States by the Nevada Company for credit to Edison Company, shall be that part of the total annuity so set up and that part of such additional expenditures so made, that shall have been set up and made solely on account of the machinery and equipment now installed and operated by Edison Company for the generation of energy for the Nevada Company.

17. The part of the actual outlay of Edison Company for operating the machinery and equipment, exclusive of common station facilities hereinafter provided for, used for the generation of energy for both Edison Company and the Nevada Company, including a reasonable overhead charge of twelve and one-half per cent (12½%) on the cost of labor, that shall be paid by the Nevada Company to the United States for the credit of Edison Company, shall be that part of the whole of such outlay which bears to the total of such outlay the same ratio that the number of generating units now installed and operated for the Nevada Company bears to the total number of generating units now or hereafter installed and operated for the benefit of both Edison Company and the Nevada Company, said ratio, on the basis of present installations, being one (1) to three (3).

18. The part of the actual outlay of Edison Company for keeping said machinery and equipment, exclusive of common station facilities hereinafter provided for, in repair that shall be paid by Nevada Company to the United States for credit to Edison Company, shall be that part thereof that is actually expended for repairs on the machinery and equipment now installed and operated

for the benefit of the Nevada Company and a reasonable overhead charge of twelve and one-half per cent (12½%) on the cost of labor; provided that whenever the United States, or any other party, makes such repairs and bills Edison Company therefor, the overhead charge on the cost of labor shall be only five per cent (5%).

19. With respect to plant facilities installed in said powerhouse for the common use of Edison Company and the City of Los Angeles in the operation of their respective portions of the said powerhouse, usually referred to as common station facilities, the proportion of the allowance for amortization of the amounts for which Edison Company is obligated to the United States on account of use of such facilities, and the part of the annuity set up by Edison Company and of any additional expenditures made by Edison Company with the approval of the Secretary of the Interior, for the purpose of meeting its obligations to make replacements with respect to such common facilities, and the part of the actual outlay of Edison Company for operating such facilities, including the cost of energy for station light and power, and the part of the outlay of Edison Company for keeping such facilities in repair, that shall be paid by Nevada Company to the United States for credit to Edison Company, shall be that part of the total outlay of Edison Company for all of said purposes which bears to the total of such outlay the same ratio that the rated capacity of the generating units now installed and operated for the Nevada Company bears to the total rated capacity of the generating units now or hereafter installed and operated for the benefit of both Edison Company and the Nevada Company.

20. It is agreed that, if the United States, or the State of Nevada, or the State of Arizona, or any lawful taxing political subdivision or agency of either of said states or of the United States, shall hereafter collect from Edison Company any taxes, assessments, excises, or payments of any kind, nature or description whatsoever, levied or assessed upon, or on account of its operations in such states, or either of them, or upon any physical properties owned, possessed or used by Edison Company in such operations (exclusive of any such charges collected from Edison Company because of any act done or upon any property used by it in its sole behalf or for its exclusive benefit), then and in that event, Nevada Company will reimburse Edison Company a fair and proper part of all such taxes, excises, assessments and payments so collected. The amount of such reimbursements and the time when they shall be made shall be agreed upon by the parties, or, failing such agreement, shall be determined by a board of arbitration consisting of three (3) arbitrators, one (1) of whom shall be selected by the Edison Company and one (1) by Nevada Company, and the two (2) so selected shall select the third. The determination of any two (2) of such arbitrators shall be binding upon both the parties hereto.

21. Unless and until additional machinery and equipment are installed by

the United States in said Boulder Power Plant, pursuant to the contracts of April 26, 1930 and November 5, 1931, to be operated in whole or in part by Edison Company for the use of Nevada Company, the operation by Edison Company of the machinery and equipment described and installed pursuant to said supplemental contract of July 22, 1937, known and designated as Unit A-8, for the benefit of said Nevada Company, shall be and constitute a complete fulfillment of Edison Company's obligations under said contracts of April 26, 1930 and November 5, 1931, to generate energy for said Nevada Company. If at any time hereafter additional machinery and equipment are installed by the United States for operation, in whole or in part, by Edison Company for the use of Nevada Company, then the proportions of the costs incurred by Edison Company in the operation and maintenance of said power plant, machinery and equipment that shall be paid by Nevada Company to the United States for credit to Edison Company as hereinabove agreed to shall be readjusted.

22. This agreement shall be effective as of June 1, 1940, and, unless and until modified or terminated as herein provided, shall remain in effect so long as both the Edison Company's existing lease of the Boulder Power Plant and said Nevada Company's contract of November 5, 1931, remain in effect. If at any time hereafter during the period this agreement is in effect either of the parties make written demand upon the other party for an adjustment of the proportions of said costs as herein agreed to, and the parties shall fail to agree upon different proportions, new proportions shall be determined by the Secretary of the Interior, and thereupon this agreement shall terminate, but, in such case, the proportions as herein agreed to shall remain in effect until different proportions are determined by the Secretary of the Interior.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their officers thereunto duly authorized and their corporate seals to be hereto affixed, the day and year first above written.

SOUTHERN CALIFORNIA EDISON COMPANY LTD.

(Signed) W. C. MULLENDORF, *Vice President.*

Attest:

(Signed) CLIFTON PETERS, *Secretary.*

THE NEVADA-CALIFORNIA ELECTRIC CORPORATION,

(Signed) F. O. DOLSON, *Vice President.*

Attest:

(Signed) H. DEWES, *Asst. Secretary.*

[SEAL]

Legal Features Approved:

COIL, *General Counsel.*

[ITEM 68]

BOULDER CANYON PROJECT

MEMORANDUM OF INTERBUREAU UNDERSTANDING COVERING THE RESALE OF ELECTRICAL ENERGY TO BE DEVELOPED AT BOULDER DAM POWER PLANT

BUREAU OF RECLAMATION

AND

OFFICE OF INDIAN AFFAIRS

SEPTEMBER 14, 1940

(I1r–1230)

1. THIS MEMORANDUM OF UNDERSTANDING, made this 14th day of September, nineteen hundred forty, pursuant to the Act of Congress approved June 17, 1902 (32 Stat., 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat., 1057), designated the Boulder Canyon project act, between the Bureau of Reclamation, hereinafter referred to as the Bureau, represented by the contracting officer executing this Memorandum, and Office of

Indian Affairs, hereinafter referred to as the Indian Office, represented by the Commissionr of Indian Affairs.

WITNESSETH:

EXPLANATORY RECITALS

2. WHEREAS, for the purpose of controlling the floods, improving navigation and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters for reclamation of public lands and other beneficial uses exclusively within the United States, and for the generation of electrical energy, the Secretary of the Interior, hereinafter referred to as the Secretary, subject to the terms of the Colorado River Compact, is authorized to construct, operate and maintain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon, adequate to create a storage reservoir of a capacity of not less than twenty million acre feet of water; also to construct, equip, operate and maintain at or near said dam, or cause to be constructed, a complete plant and incidental structures suitable for the fullest economic development of electrical energy from the water discharged from said reservoir; and

3. WHEREAS, after full consideration of the advantages of both the Black Canyon and Boulder Canyon dam sites, the Secretary has determined upon Black Canyon as the site of the aforesaid dam, hereinafter styled the Boulder Dam, and has determined that the provisions for revenues made by contract in accordance with the provisions of the Boulder Canyon project act, are adequate in his judgment to insure payment of all expenses of operation and maintenance of the Boulder Dam and appurtenant works incurred by the United States, and the repayment within fifty (50) years from the date of completion of said works of all amounts advanced to the Colorado River Dam fund under subdivision (b) of Section two (2) of the Boulder Canyon project act, together with interest thereon made reimbursable under said Act; and

4. WHEREAS, the United States has entered into a contract of date April 26, 1930, with the City of Los Angeles (hereinafter styled the City) and Southern California Edison Company, Ltd., severally (both hereinafter referred to as the Lessees) for the lease, and for the operation and maintenance of a Government-built power plant to be constructed at Boulder Dam as aforesaid, together with the right to generate electrical energy as therein stated, a copy of which said lease-contract as amended by supplemental contracts of dates May 28, 1930, and September 23, 1931, is attached to Exhibit 1 hereof, marked Exhibit "A"; and

5. WHEREAS, in said lease-contract of April 26, 1930, as amended, the Secretary has reserved the authority to, and in consideration of the execution thereof is authorized by each of the aforesaid Lessees, severally, to contract and the other allottees named in the allocation set forth therein for the furnishing of energy to such allottees at transmission voltage in accordance with the alloca-

tion to each allottee, and the Secretary is therein granted by each Lessee, severally, the power in accordance with the provisions thereof to enforce as against each Lessee the rights to be acquired by such other allottees by contracts to be entered into with the United States, and in said lease-conract the City has agreed, among other things, to generate energy allocated to The Metropolitan Water Disrict of Southern California, hereinafter referred to as the District; and

6. WHEREAS, the United States has entered into a contract with the District of date April 26, 1930, for the purchase by and delivery to the District under the terms and conditions therein stated of certain electrical energy to be developed at Boulder Dam Power Plant, a copy of which contract as amended by supplemental contract of date May 31, 1930, is attached hereto, marked Exhibit 1, and by this reference made a part hereof as fully and completely as though set out herein at length; and

7. WHEREAS, the District will be unable for a period of years from and after the date when it is required to take and/or pay for firm energy under the provisions of said Exhibit 1 hereof to use a portion of such energy for the only purposes for which energy has been allocated to and purchased by the District, namely, for pumping water into and in its aqueduct, and has requested the Secretary to dispose of such excess energy pursuant to and in accordance with the provisions of Article seven (7) of said Exhibit 1 until required by the District; and each Lessee under the said lease, marked Exhibit "A" attached to Exhibit 1 hereof, has been given the opportunity, as provided in said Article seven (7) to contract for said unused energy upon the terms and conditions herein stated and has declined so to contract; and

8. WHEREAS, the Indian Office is engaged in constructing the Colorado River Indian irrigation project, including the Head Gate Rock diversion dam and incidental structures, pursuant to the authority granted the Secretary in the Acts of Congress approved August 30, 1935 (49 Stat. 1039 at 1040) and May 9, 1938 (52 Stat. 307), and as a part of said construction work the Indian Service will build a transmission line from the District's Parker substation to said irrigation project and a substation at or near the Indian Service Agency headquarters in the town of Parker, Arizona, and for the purpose of acquiring electric energy for project and Agency requirements and for the purpose of supplying alternating current to the town of Parker, Arizona; the Indian Office has made application to the Secretary for the delivery to it for the term of this Memorandum of Understanding of a part of the firm energy contracted for by the District, but which will not be required, temporarily, for pumping water into and in the aforesaid aqueduct;

9. NOW, THEREFORE, it is mutually understood as follows, to wit:

DELIVERY OF ELECTRICAL ENERGY

10. The Bureau agrees, subject to all the terms and conditions of Exhibit 1 hereof, that of the firm energy to be developed at Boulder Dam Power Plant,

and heretofore allocated to and contracted for by the District, it will cause to be delivered to the Indian Office for a period beginning on the date when facilities for transmitting power from the site of the District's Parker substation to the headquarters of the Colorado River Indian Reservation at Parker, Arizona, have been constructed by the Indian Office, and, ending on May 31, 1945, or within sixty (60) days after the date when the Chief Engineer of the Bureau notified the Indian Office in writing that the power plant now under construction by the Bureau at Parker Dam is ready for operation, whichever date shall be the earlier, so much firm energy (as defined in said Exhibits 1 and "A") as may be required by the Indian Office for its own uses and for distribution to its customers within, and in the vicinity of, the Colorado River Indian Reservation, not, however, exceeding at any time the amount remaining unused by the District, and unsold either by existing contracts or by future contracts.

PLACE AND MANNER OF DELIVERY OF ELECTRICAL ENERGY

11. Energy will be delivered to the Indian Office at or near the site of the District's Parker substation at a point to be designated by the Chief Engineer of the Bureau at approximately thirty-three thousand (33,000) volts in form of 3-phase alternating current at a frequency of approximately 60 cycles per second by means of the District's transmission and transformer facilities between Boulder Dam Power Plant and the District's Parker substation. It is understood by the Indian Office that the delivery of energy over the transmission facilities of the District between Boulder Dam Power Plant and Gene Pumping Plant is to be accomplished by means of any power transmission capacity which, for the time being, may be in excess of the District's requirements (as determined by the District), and that such use of said transmission facilities is subject at all times to conditions as fixed by the District. The Indian Office shall not be entitled to the delivery of any energy hereunder until it shall have first entered into a contract with the District for the benefit of, and without cost to the Bureau, for the use by the Bureau in supplying energy hereunder of the District's step-down transformers at Gene Pumping Plant, the District's transmission line from Gene Pumping Plant to the District's Parker substation, and suitable metering equipment at said Parker substation. The Indian Office at its own cost and expense and prior to the delivery of energy hereunder, shall furnish and install terminal facilities, including current transformers for operating the meters, of a type and in manner satisfactory to the District at the point where the transmission line of the Indian Office connects with the line of the District at or near the site of the District's Parker substation. Said terminal facilities shall remain the property of the Indian Office and may be removed by the Indian Office at the termination of this Memorandum of Understanding.

DELIVERY OF ENERGY SUBJECT TO OPERATING CONDITIONS FIXED BY DISTRICT

12. The Indian Office accepts this Memorandum of Understanding with knowledge of and subject to the fact that the District's transmission, transforming and control facilities have been designed and constructed, and will be operated to meet the requirements of the District, that is, for the purpose of pumping water into and in its aqueduct, and are subject at all times to operating conditions fixed by the District.

CHARGES TO BE PAID THE BUREAU FOR CREDIT TO THE DISTRICT

13. (a) The Indian Office agrees to pay the Bureau for credit to the District for the use of falling water for generation of energy for the Indian Office at the rate of one and sixty-three hundredths mills ($0.00163) per kilowatt-hour (delivered at transmission voltage at Boulder Dam) and twenty-eight cents ($0.28) per month per kilowatt of monthly (calendar month) maximum demand for the generation of energy. For a fractional part of a calendar month at the beginning or at the end of the contract period, the generating charge shall be reduced in the ratio that the number of days that power is made available during such fractional calendar month bears to the number of days in said calendar month. The "maximum demand" for any period is defined as the average flow of power during the fifteen-minute interval in which the maximum quantity of energy is taken by the Indian Office during such period.

(b) The charges to be paid hereunder, for credit to the District, for the generation of energy have been determined by agreement between the Indian Office and the District. It is expressly understood and agreed that nothing in this article shall be construed as a determination by the Secretary, or by the Bureau, as to the proper proportionate part of the generating cost payable by the District for credit to its generating agency, or as to the manner or basis of apportionment of the cost of generation under any other contract for the sale of energy generated at Boulder Dam Power Plant.

MONTHLY PAYMENTS

14. The Indian Office shall pay monthly for energy in accordance with the rates established or provided for herein, and for the generation thereof as provided in Article thirteen (13) hereof. The Bureau will submit bills to the Indian Office by the fifth of each month immediately following the month during which the energy is generated, and payment shall be due on the first day of the month immediately succeeding. The charge for generating energy during each month shall be made at the rate specified in Article thirteen (13) for the maximum demand occurring during said month.

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MEASUREMENT OF ENERGY

15. All energy delivered to the Indian Office will be measured at transmission voltage at the site of the District's Parker substation. Suitable correction shall be made in the amount of energy and the maximum demand as thus measured to cover transmission and transformer losses between Boulder Dam Power Plant and the point of measurement, which losses the Indian Office hereby agrees to assume. For the purpose of this Memorandum of Understanding, such transformer and transmission losses are hereby agreed to be three and one-half per centum (3½%) of the amount of energy and the maximum demand as measured at the site of the District's Parker substation. The meters installed by the District, as provided in Article 11 hereof, shall be tested at any reasonable time, upon the request of either the Bureau or the Indian Office, and in any event they shall be tested at least once each year. If the test discloses that the error of any meter exceeds two per centum (2%), such meter shall be adjusted so that the error does not exceed one per centum (1%). Proper correction shall be made of the maximum demand and energy recorded subsequent to the beginning of the monthly billing period immediately preceding the test of such meter or meters, and such correction shall constitute full adjustment of any claims arising out of such inaccuracy. Meter equipment shall be tested by means of suitable testing equipment which will be provided by the Bureau and which shall be calibrated by the National Bureau of Standards. Meters shall be kept sealed and the seals shall be broken only in the presence of representatives of both the Bureau and the Indian Office, and likewise all tests of meter equipment shall be conducted only when representatives of the Bureau and the Indian Office are present.

DELIVERY OF WATER FOR GENERATION OF POWER

16. The Bureau will operate and maintain Boulder Dam, Lake Mead, pressure tunnels, penstocks to but not inclusive of the shut-off valves at the inlets to the turbine castings, and outlet works, and will deliver water continuously to each Lessee of Boulder Dam Power Plant in the quantity, in the manner, and at the time necessary for the generation of the energy which each of said Lessees has the right and/or obligation to generate under the provisions of Exhibit 1 hereof, or under this Memorandum of Understanding, in accordance with the load requirements of each of the said Lessees, and of allottees for which the respective Lessees are generating agencies; provided, however, that the aforesaid dam and the reservoir created thereby will be operated and used: First, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of perfected rights in pursuance of Article VIII of the Colorado River Compact; and, third, for power, and this memorandum is made upon the express condition, and with

the express covenant, that the several rights of the Lessees and/or the District or the Indian Office to the waters of the Colorado River, or its tributaries, are subject to and controlled by the Colorado River Compact. The Bureau reserves the right temporarily to discontinue or reduce the delivery of water for the generation of energy at any time for the purpose of maintenance, repairs, and/or replacements, or installation of equipment, and for investigations and inspections necessary thereto; provided, however, that the Bureau shall, except in cases of emergency, give to the Lessees reasonable notice in advance of such temporary discontinuance or reduction, and that the Bureau shall make such inspections and perform such maintenance and repair work after consultation with the Lessees at such times and in such manner as will cause the least inconvenience to the lessees, and shall prosecute such work with diligence, and, without unnecessary delay, will resume delivery of water so discontinued or reduced.

RULES AND REGULATIONS

17. This Memorandum of Understanding is subject to such rules and regulations conforming to the Boulder Canyon project act as the Secretary may from time to time promulgate; provided, however, that no right of the Indian Office hereunder shall be impaired or obligation of the Indian Office hereunder extended thereby, and, provided further, that opportunity for hearing shall be afforded the Indian Office by the Secretary prior to promulgation thereof.

MEMORANDUM OF UNDERSTANDING SUBJECT TO COLORADO RIVER COMPACT

18. This Memorandum of Understanding is made upon the express condition and with the express understanding that all rights hereunder shall be subject to and controlled by the Colorado River Compact, being the compact or agreement signed at Santa Fe, New Mexico, November 24, 1922, pursuant to Act of Congress approved August 19, 1921, entitled "An Act to permit a compact or agreement between the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming, respecting the disposition and apportionment of the waters of the Colorado River, and for other purposes", which compact was approved by Section thirteen (a) of the Boulder Canyon project act.

MODIFICATIONS

19. In the event the rates for the use of falling water for the generation of firm energy more favorable than those herein required to be paid by the Indian Office are granted to the District, then and in such event the rates here-

in agreed to be paid by the Indian Office shall be adjusted so that from and after the date such lesser rates become effective the Indian Office shall not be required to pay rates for the use of falling water for the generation of firm energy greater than those required to be paid by the District, provided, however, that the provisions of this article shall not apply to any load-building arrangement, heretofore or hereafter granted to the District. The provisions of Article thirty-seven (37) of Exhibit "A" hereof shall not apply to the generating charge herein required to be paid. Said generating charge shall be subject to revision only in the event the four per centum (4%) interest rate now charged upon advancements to the Colorado River Dam fund may be reduced. Such reduction shall be in the following proportion, namely; for every reduction of one-quarter of one per centum (1/4%) of such interest rate, three-quarters of a cent ($0.0075) shall be deducted from the twenty-eight cents ($0.28) per month per kilowatt generating charge, and such revision of generating charges shall be made for the whole effective period during which such lower interest rate is imposed during the term of this Memorandum of Understanding.

INTERRUPTIONS AND CURTAILMENTS TO SERVICE

20. Should the delivery of electric power, for any reason not due to the fault of the Indian Office nor to its failure to take power when available, be reduced below two hundred (200) kilowatts for any continuous period or periods of one (1) hour or more in duration, as determined by the Bureau, there shall be deducted from the total monthly demand charge, computed as provided in Article 13, for the calendar month during which said reduction occurs, the sum of four-tenths (4/10th) of one (1) mill for each kilowatt by which the delivery is reduced below two hundred (200) kilowatts for each full continuous hour that the delivery is so reduced.

CONTINGENT UPON APPROPRIATIONS

21. This Memorandum of Understanding is subject to appropriations being made by Congress from year to year of moneys sufficient to do the work provided for herein, and to there being sufficient moneys available in the Colorado River Dam fund to permit allotments to be made for the performance of such work.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Understanding to be executed the day and year first above written.

BUREAU OF RECLAMATION,
By (Signed) JOHN C. PAGE,
Commissioner of Reclamation.

OFFICE OF INDIAN AFFAIRS,
By (Signed) JOHN COLLIER,
Commissioner of Indian Affairs.

Approved: November 23, 1940.
By (Signed) OSCAR L. CHAPMAN,
Assistant Secretary of the Interior.

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, a public corporation organized under and by virtue of the laws of the State of California, as evidence of its consent to and approval of this Memorandum of Understanding, has caused its corporate name to be subscribed hereto by its officers thereunto duly authorized as of the day and year first above written.

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA,
By (Signed) F. E. WEYMOUTH,
General Manager
and Chief Engineer.

Attest:
By (Signed) A. L. GRAM,
Executive Secretary of the Metropolitan
Water District of Southern California.

Approved as to Form and Execution:
By (Signed) J. H. HOWARD,
General Counsel, The Metropolitan
Water District of Southern California.

[SEAL]

RESOLUTION NO. 3278

WHEREAS, there has been presented to this Board a "Memorandum of Interbureau Understanding Covering the Resale of Electrical Energy to be Developed at Boulder Dam Power Plant," wherein the Office of Indian Affairs undertakes to take and pay for certain electrical energy, the proceeds of such sale to be credited upon the obligation of The Metropolitan Water District of Southern California to take and pay for energy from the Boulder Dam power plant, said Memorandum of Interbureau Understanding being accompanied by a form of consent wherein The Metropolitan Water District of Southern California is requested to consent thereto; and

WHEREAS, in connection with said transaction there has been presented to this Board a form of agreement entitled "Contract Covering the Use of Electrical Transmission and Transformer Equipment," wherein the United States and the District agree that upon payment of certain considerations the United States shall have the use of certain transmission and transformer equipment; and

WHEREAS, said consent to the Memorandum of Interbureau Understanding and the form of contract covering the use of electrical transmission and transformer equipment are approved by this Board, and their execution, respectively, deemed to be in the public interest:

NOW, THEREFORE, BE IT RESOLVED, that the General Manager and Chief Engineer is hereby authorized and directed to execute the said form of consent on behalf of the District and that the Executive Secretary be, and he is hereby, authorized and directed to attest the signature of the General Manager and Chief Engineer and attach to said consent the corporate seal of the District;

IT IS FURTHER RESOLVED, that the General Manager and Chief Engineer is hereby authorized and directed to execute the said Contract Covering the Use of Electrical Transmission and Transformer Equipment on behalf of the District and that the Executive Secretary be, and he is hereby, authorized and directed to attest the signature of the General Manager and Chief Engineer and attach to said contract the corporate seal of the District.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California, at its meeting held October 11, 1940.

(Signed) A. L. GRAM,
Executive Secretary of The Metropolitan Water District of Southern California.

[SEAL]

[ITEM 69]

BOULDER CANYON PROJECT

SUPPLEMENTAL CONTRACT NEVADA NO. 3 FOR ELECTRICAL ENERGY

THE UNITED STATES

AND

STATE OF NEVADA

DECEMBER 19, 1940

(12r–6052)

1. THIS SUPPLEMENTAL CONTRACT, made this 19th day of December, nineteen hundred forty, pursuant to the Act of Congress approved June 17, 1902 (32 Stat., 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat., 1057), designated the Boulder Canyon project act, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by the contracting officer executing this supplemental contract, thereunto duly authorized by the Secretary of the Interior, hereinafter styled the Secretary, and STATE OF NEVADA, a body politic and corporate, and its Colorado River Commission (said Commission acting herein in the name of the State, but as principal in its own behalf as well as in behalf of the State; the term State as used in this supplemental contract being deemed to be both the State of Nevada and its Colorado River Commission), acting in pursuance of an act of the Legislature of the State of Nevada, en-

titled "An Act creating a commission to be known as the Colorado River Commission of Nevada, defining its powers and duties, and making an appropriation for the expenses thereof, and repealing all acts and parts of acts in conflict with this act," approved March 20, 1935 (Chapter 71, Stats. of Nevada, 1935), both said State of Nevada and its Colorado River Commission being hereinafter collectively referred to as the State:

WITNESSETH:

EXPLANATORY RECITALS

2. WHEREAS, under date of May 6th, 1936, the parties hereto entered into a contract (Symbol and Number 12r–6052) providing for the delivery of four million (4,000,000) kilowatt-hours annually of firm energy to be developed at Boulder Dam power plant, and under date of April 23rd, 1938, the parties hereto entered into a supplemental contract designated Supplemental Contract Nevada No. 1 for Electrical Energy providing for the delivery of an additional nine million (9,000,000) kilowatt-hours annually of firm energy to be developed at Boulder Dam power plant, and under date of December 7, 1939, entered into a second supplemental contract designated Supplemental Contract Nevada No. 2 for Electrical Energy providing for the delivery of an additional eight million one hundred fifty thousand (8,150,000) kilowatt-hours annually of firm energy to be developed at Boulder Dam power plant, and it is now desired to amend said contract so as to provide for the delivery of a further additional fourteen million six hundred fifty thousand (14,650,000) kilowatt-hours annually of firm energy to the State;

3. NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to-wit:

ALLOCATION OF ELECTRICAL ENERGY

4. Article nine (9) A of the aforesaid contract of date May 6th, 1936, as amended by supplemental contract of April 23rd, 1938, and Supplemental Contract No. 2 of December 7, 1939, is hereby amended so as to read as follows:

> A. To the State of Nevada, for use in Nevada, not exceeding eighteen per centum (18%) of said total firm energy, whereof thirty-five million eight hundred thousand (35,800,000) kilowatt-hours annually (June 1st to May 31st, inclusive) of said firm energy shall be taken and/or paid for by the State under the provisions of this contract.

MINIMUM ANNUAL PAYMENT

5. Article fifteen (15) of the aforesaid contract of May 6, 1936, as amended by Supplemental Contract Nevada No. 1 of April 23, 1938, and

Supplemental Contract Nevada No. 2 of December 7, 1939, is hereby amended to read as follows:

15. The minimum quantity of firm energy which the State shall take and/or pay for each year (June 1st to May 31st, inclusive), under the terms of this contract, and after the same is ready for delivery to the State, as provided in subdivision (a) of Article twelve (12) hereof, shall be thirty-five million eight hundred thousand (35,800,000) kilowatt-hours. The total payments made by the State for firm energy available in any year (June 1st to May 31st, inclusive), whether any energy is taken by it or not, exclusive of its payments for credit to the generating agency, shall be not less than the number of kilowatt-hours of firm energy which the State is obligated to take and/or pay for during said year, multiplied by one and sixty-three hundredths mills ($0.00163), or multiplied by the adjusted rate of payment for firm energy in case the said rate is adjusted as provided in Article thirteen (13) hereof. For a fractional year at the beginning or end of the contract period, the minimum annual payment for firm energy shall be proportionately adjusted in the ratio that the number of days water is available for generation of energy in such fractional year bears to three hundred sixty-five (365). Provided that the minimum annual payment shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article eighteen (18) hereof.

The minimum annual payments made by the State for generation of such energy, to be credited to the generating agency, shall be determined in accordance with Article thirteen (13) hereof.

MODIFICATION OF PRIOR CONTRACT

6. Except as expressly herein amended, the aforesaid contract of date May 6th, 1936, as amended by the aforesaid supplemental contract of date April 23rd, 1938, and as further amended by the aforesaid supplemental contract of date December 7, 1939, shall be and remain in full force and effect; subject, however, to termination as therein stated.

EFFECTIVE DATE OF SUPPLEMENTAL CONTRACT NEVADA NO. 3

7. This supplemental contract shall become of full force and effect immediately upon its execution for and on behalf of the United States.

OFFICIALS NOT TO BENEFIT

8. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this supplemental contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By S. O. HARPER,
Chief Engineer, Bureau of Reclamation.

STATE OF NEVADA, acting by and through
its Colorado River Commission,
By E. P. CARVILLE, *Chairman.*

Attest:
ALFRED MERRITT SMITH, *Secretary.*

COLORADO RIVER COMMISSION OF NEVADA,
By E. P. CARVILLE, *Chairman.*

Attest:
ALFRED MERRITT SMITH, *Secretary.*

Ratified and approved
this 19th day of December, 1940.
E. P. CARVILLE,
Governor of the State of Nevada.

Attest:
MALCOLM MCEACHIN,
Secretary of State.

[SEAL OF THE COLORADO
RIVER COMMISSION OF NEVADA]

CERTIFICATE OF THE SECRETARY OF STATE

I, MALCOLM MCEACHIN, the duly appointed, qualified and acting Secretary of State of the State of Nevada, do hereby certify that Honorable E. P. Carville is now, and was at the time of the execution of that certain contract to which this certificate is attached, concerning the delivery of electrical energy from Boulder Dam to the State of Nevada, between the Colorado River Commission of the State of Nevada and the United States of America, the duly elected, qualified and acting Governor of the State of Nevada, and, by virtue of said office, was then and is now the Chairman of the Colorado River Commission of Nevada; that Alfred Merritt Smith is now, and was at the time of the execution of said contract, the duly elected, qualified and acting Secretary of the said Colorado River Commission of Nevada; and that the signatures affixed to said contract are the signatures of the said Honorable E. P. Carville, Governor of the State of Nevada and Chairman of the Colorado River Commission of Nevada, and of the said Alfred Merritt Smith, the Secretary of the Colorado River Commission of Nevada.

Dated: This 19th day of December, 1940.

MALCOLM MCEACHIN,
Secretary of State of the State of Nevada.

[SEAL OF THE STATE OF NEVADA]

CERTIFIED COPY OF RESOLUTION AUTHORIZING EXECUTION OF SUPPLEMENTAL CONTRACT

I, ALFRED MERRITT SMITH, the duly elected, qualified, acting and authorized Secretary of the Colorado River Commission of Nevada, do hereby certify that the following is a true and correct copy of a resolution duly passed on September 4th, 1940, by the unanimous vote of the Colorado River Commission of Nevada and appearing in the minutes of the meeting of said Commission held on that date:

BE IT RESOLVED by the Colorado River Commission of Nevada that the Chairman and Secretary of said Commission be authorized to apply to the United States Bureau of Reclamation for an additional withdrawal of energy from Boulder Dam power plant in the amount of fourteen million six hundred fifty thousand (14,650,000) kilowatt-hours, making a total of thirty-five million eight hundred thousand (35,800,000) kilowatt-hours annually, and to execute a contract for the withdrawal of this amount of power on behalf of the State of Nevada.

Dated this 18th day of December, 1940.

ALFRED MERRITT SMITH,
Secretary of the Colorado River Commission of Nevada.

[ITEM 70]

BOULDER CANYON PROJECT

AGREEMENT UPON THE TERMINATION OF LEASE AND THE TAKING EFFECT OF THE ADJUSTMENT ACT

THE CITY OF LOS ANGELES

AND

THE CITY OF PASADENA

MAY 27, 1941

1. THIS CONTRACT, made this 27th day of May, 1941, between THE CITY OF LOS ANGELES, a municipal corporation, and its DEPARTMENT OF WATER AND POWER (said Department acting herein in the name of the City, but as principal in its own behalf as well as in behalf of the City, the term "City" as used herein being deemed to include both The City of Los Angeles and its said Department of Water and Power), and the CITY OF PASADENA, a municipal corporation, hereinafter styled the "Municipality," each of said corporations being organized and existing under the laws of the State of California; WITNESSETH THAT:

EXPLANATORY RECITALS

2. WHEREAS, pursuant to the provisions of the Act of Congress approved June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat. 1057), designated the Boulder Canyon Project Act, hereinafter referred to as the "Project Act," THE UNITED STATES OF AMERICA, hereinafter referred to as the "United States," entered into a certain contract designated "Contract for Lease of Power Privilege," dated April 26, 1930, with, severally, the City and SOUTHERN CALIFORNIA EDISON COMPANY LTD.,

a private corporation, hereinafter referred to as "Edison Company," which contract was thereafter amended by two certain contracts between the same parties, dated May 28, 1930, and September 23, 1931, which said Contract for lease of Power Privilege, dated April 26, 1930, together with said amendatory contracts, are hereinafter collectively referred to as the "Lease," which Lease provided for the generation, transmission and delivery of energy contracted for by the Municipality; and

3. WHEREAS, the City thereafter entered into a contract designated "Contract for Generation and Transmission of Power," dated September 24, 1931, with the Municipality, by the terms whereof the City agreed to generate, in accordance with the provisions of said Lease, the energy contracted for by said Municipality by the contract hereinafter designated as the "Existing Pasadena Energy Contract," and to transmit and deliver the same to said Municipality, which Contract for Generation and Transmission of Power was thereafter amended by three contracts, one dated June 18, 1935, a second dated April 12, 1938, and a third dated January 30, 1940, between the same parties, which said Contract for Generation and Transmission of Power, together with said amendatory contracts, are hereinafter collectively referred to as the "Transmission Contract"; and

4. WHEREAS, pursuant to the Acts of Congress hereinbefore mentioned, the Municipality entered into a contract designated "Contract for Electrical Energy," dated September 29, 1931, with the United States, providing among other things for the purchase by the Municipality of electrical energy to be generated at Boulder Dam Power Plant under the provisions of the Project Act, which said Contract for Electrical Energy was thereafter amended by a certain contract between the same parties, dated October 30, 1934, both of which said contracts are hereinafter referred to as the "Existing Pasadena Energy Contract;" and

5. WHEREAS, pursuant to the Acts of Congress hereinbefore mentioned, and pursuant to the Act of Congress approved July 19, 1940, (54 Stat. 774), designated the Boulder Canyon Project Adjustment Act, hereinafter referred to as the "Adjustment Act," the Secretary of the Interior has caused to be prepared and to be submitted to the City and the Edison Company for execution, a contract, hereinafter referred to as the "Agency Contract," to which reference is hereby made, providing, among other things, that the Lease shall thereupon terminate, and that, in lieu of the operation of the Boulder Power Plant by the City and Edison Company, as lessees, the same shall be operated by the United States through the City and Edison Company as its operating agents; and

6. WHEREAS, the Secretary of the Interior has caused to be prepared and to be submitted to said Municipality for execution, a contract, hereinafter referred to as "Proposed Pasadena Energy Contract," providing among other

things for the purchase by the Municipality of electrical energy to be generated at Boulder Dam Power Plant under the provisions of the Project Act and pursuant to the Adjustment Act; and

7. WHEREAS, the Secretary of the Interior has caused to be prepared and to be submitted to said City for execution, a contract, hereinafter referred to as "Proposed City Energy Contract," providing among other things for the purchase of electrical energy to be generated at Boulder Dam Power Plant and for the transmission to said Municipality of energy contracted for by it, under the provisions of the Project Act and pursuant to the Adjustment Act; and

8. WHEREAS, it is mutually beneficial to the City and the Municipality that said Lease be terminated and that appropriate contracts be entered into pursuant to the terms of the Adjustment Act, in order that the same may become fully effective; and

9. WHEREAS, under date of May 20, 1941, the Secretary of the Interior approved and promulgated "General Regulations for Generation and Sale of Power in Accordance With the Boulder Canyon Project Adjustment Act," to which reference is hereby made, and which includes provision that unless otherwise agreed to by the allottees affected, apportionment of generating charges, as defined in said regulations, for a section or sections of machinery and equipment used jointly will be on the basis of energy taken, both firm and secondary, with the minimum annual obligation of each allottee as the minimum considered, that for the purpose of apportioning charges under Article 18 (b), (c), and (d) of said Regulations, Section G-1 and G-3 shall be considered as one section, and that agreements between allottees regarding said apportionment of generating charges shall be in writing and shall be filed with the said Secretary; and

10. WHEREAS, the main generating facilities comprising Section G-1 and the transforming and switching facilities comprising Section T-1-A were designed and installed primarily for service jointly to the City, the City of Glendale, the City of Burbank and the Municipality, and at all times since June 1, 1937, have jointly served, and it is the desire of the parties that said sections shall continue to jointly serve, the City, the City of Glendale, the City of Burbank, and the Municipality to and including May 31, 1987;

11. NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties hereto agree as follows, to-wit:

(a) That upon the termination of the Lease and the taking effect of the Adjustment Act for all purposes any and all provisions and agreements to the effect that generation of energy at Boulder Power Plant for the Municipality by the City shall be in accordance with the Lease thenceforth shall be of no further force or effect, and that, in lieu of the generation of such energy by the City as lessee in accordance with the terms of the Lease such generation thenceforth

shall be effected in accordance with said Agency Contract so long as said Agency Contract shall remain in effect, and said Municipality does hereby release the City from any and all obligations to generate energy in accordance with the terms of said Lease, after said Lease shall have been terminated.

Except as herein expressly modified, the said Transmission Contract shall remain in full force and effect until and including May 31, 1987, all references therein to the Lease being understood as references to the Agency Contract, or to the Proposed City Energy Contract, as may be appropriate, and all references to the Existing Pasadena Energy Contract being understood as references to the Proposed Pasadena Energy Contract, it being the intention of the parties that the contract rights of the parties with respect to the subject matter shall remain unchanged, except as said Contract rights are modified by (1) the express terms of this agreement, (2) the substitution of the Agency Contract and the Proposed City Energy Contract for the Lease and (3) the substitution of the Proposed Pasadena Energy Contract for the Existing Pasadena Energy Contract.

(b) That, subject to the taking effect of the Adjustment Act for all purposes, and in lieu of the apportionment of generating charges as provided in Article 18 (b), (c), and (d), of the Regulations, the apportionment of generating charges, effective on and after June 1, 1937, for Section G-1, Section T-1-A, and Section G-3, as defined in said Regulations, shall be as follows:

(i) The Municipality shall bear and be charged that portion (herein expressed in percentage) of the total generating charges for said Section G-1 and said Section T-1-A for each year of operation, which bears the same proportion to such total charges as 68,617,510 (being the undiminished annual allocation of kilowatt-hours of firm energy allocated to the Municipality), bears to the total of 1,773,282,220 (being the total undiminished annual allocation of kilowatt-hours of firm energy allocated to the City, the City of Glendale, the City of Burbank, and the Municipality, including the City's undiminished obligation to take the States' unused firm energy), which said percentage of the Municipality is 3.869 per centum of such total generating charges;

(ii) That the percentage to be borne by the Municipality shall not be affected by any use made of said Section G-1, Section T-1-A, or Section G-3 for the generation of energy other than for said Municipality; and

(iii) That the portion of the total generating charges for Section G-1, Section T-1-A, and Section G-3, not chargeable to any allottee or taker, other than the City, pursuant to said Regulations or to any agreement made thereunder, shall be charged to and borne by the City; and

(iv) The fact that energy generated by means of Section G-3 may reach said Municipality, shall not affect the foregoing percentages, it being the intent that for all purposes pertaining to the apportionment of generating charges, service to the Municipalities shall be deemed to have been solely from Section G-1.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed the day and year first above written.

THE CITY OF LOS ANGELES, acting by and through its Board of Water and Power Commissioners.

By JAMES B. AGNEW, *President.*

[SEAL]

Attest:

(Signed) JOSEPH L. WILLIAMS.

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, by the Board of Water and Power Commissioners.

By JAMES B. AGNEW, *President.*

[SEAL]

Attest:

(Signed) JOSEPH L. WILLIAMS.

THE CITY OF PASADENA.

By A. I. STEWART.

[SEAL]

Attest:

(Signed) BESSIE CHAMBERLAIN,
City Clerk of the City of Pasadena.

Approved as to Form
this 27th day of May, 1941.
(Signed) By HAROLD P. HULS,
City Attorney.

Approved as to Form and Legality
this 24th day of May, 1941.
RAY L. CHESEBRO, *City Attorney,*
By (Signed) S. B. ROBINSON,
Chief Assistant City Attorney for Water and Power.

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[ITEM 71]

BOULDER CANYON PROJECT

AGREEMENT UPON THE TERMINATION OF LEASE AND THE TAKING EFFECT OF THE ADJUSTMENT ACT

THE CITY OF LOS ANGELES

AND

THE CITY OF GLENDALE

MAY 27, 1941

1. THIS CONTRACT, made this 27 day of May, 1941, between THE CITY OF LOS ANGELES, a municipal corporation, and its DEPARTMENT OF WATER AND POWER (said Department acting herein in the name of the City, but as principal in its own behalf as well as in behalf of the City, the term "City" as used herein being deemed to include both The City of Los Angeles and its said Department of Water and Power), and the CITY OF GLENDALE, a municipal corporation, hereinafter styled the "Municipality", each of said corporations being organized and existing under the laws of the State of California; WITNESSETH THAT:

EXPLANATORY RECITALS

2. WHEREAS, pursuant to the provisions of the Act of Congress approved June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat. 1057), designated the Boulder Canyon Project Act, hereinafter referred to as the "Project Act", THE UNITED STATES OF AMERICA, hereinafter referred to as the "United States", entered into a certain contract designated "Contract for Lease of Power Privilege", dated April 26, 1930, with, severally, the City and SOUTHERN CALIFORNIA EDISON COMPANY LTD., a private corporation, hereinafter referred to as Edison Company", which contract

was thereafter amended by two certain contracts between the same parties, dated May 28, 1930, and September 23, 1931, which said Contract for Lease of Power Privilege, dated April 26, 1930, together with said amendatory contracts, are hereinafter collectively referred to as the "Lease", which Lease provided for the generation, transmission and delivery of energy contracted for by the Municipality; and

3. WHEREAS, the City thereafter entered into a contract designated "Contract for Generation and Transmission of Power", dated September 24, 1931, with the Municipality, by the terms whereof the City agreed to generate, in accordance with the provisions of said Lease, the energy contracted for by said Municipality by the contract hereinafter designated as the "Existing Glendale Energy Contract", and to transmit and deliver the same to said Municipality, which Contract for Generation and Transmission of Power was thereafter amended by a contract, dated September 17, 1936, between the same parties, both of which said contracts are hereinafter referred to as the "Transmission Contract"; and

4. WHEREAS, pursuant to the Acts of Congress hereinbefore mentioned, the Municipality entered into a contract designated "Contract for Electrical Energy", dated November 12, 1931, with the United States, providing among other things for the purchase by the Municipality of electrical energy to be generated at Boulder Dam Power Plant under the provisions of the Project Act, which said Contract for Electrical Energy was thereafter amended by a certain contract between the same parties, dated November 1, 1934, both of which said contracts are hereinafter referred to as the "Existing Glendale Energy Contract"; and

5. WHEREAS, pursuant to the Acts of Congress hereinbefore mentioned, and pursuant to the Act of Congress approved July 19, 1940, (54 Stat. 774), designated the Boulder Canyon Project Adjustment Act, hereinafter referred to as the "Adjustment Act", the Secretary of the Interior has caused to be prepared and to be submitted to the City and the Edison Company for execution, a contract, hereinafter referred to as the "Agency Contract", to which reference is hereby made, providing, among other things, that the Lease shall thereupon terminate, and that, in lieu of the operation of the Boulder Power Plant by the City and Edison Company, as lessees, the same shall be operated by the United States through the City and Edison Company as its operating agents; and

6. WHEREAS, the Secretary of the Interior has caused to be prepared and to be submitted to said Municipality for execution, a contract, hereinafter referred to as "Proposed Glendale Energy Contract", providing among other things for the purchase by the Municipality of electrical energy to be generated at Boulder Dam Power Plant under the provisions of the Project Act and pursuant to the Adjustment Act; and

7. WHEREAS, the Secretary of the Interior has caused to be prepared and to be submitted to said City for execution, a contract, hereinafter referred to as

"Proposed City Energy Contract", providing among other things for the purchase of electrical energy to be generated at Boulder Dam Power Plant and for the transmission to said Municipality of energy contracted for by it, under the provisions of the Project Act and pursuant to the Ajustment Act; and

8. WHEREAS, it is mutually beneficial to the City and the Municipality that said Lease be terminated and that appropriate contracts be entered into pursuant to the terms of the Adjustment Act, in order that the same may become fully effective; and

9. WHEREAS, under date of May 20, 1941, the Secretary of the Interior approved and promulgated "General Regulations for Generation and Sale of Power in Accordance with the Boulder Canyon Project Adjustment Act," to which reference is hereby made, and which includes provision that unless otherwise agreed to by the allottees affected, apportionment of generating charges, as defined in said regulations, for a section or sections of machinery and equipment used jointly will be on the basis of energy taken, both firm and secondary, with the minimum annual obligation of each allottee as the minimum considered, that for the purpose of apportioning charges under Article 18 (b), (c), and (d) of said Regulations, Sections G-1 and G-3 shall be considered as one section, and that agreements between allottees regarding said aportionment of generating charges shall be in writing and shall be filed with the said Secretary; and

10. WHEREAS, the main generating facilities comprising Section G-1 and the transforming and switching facilities comprising Section T-1-A were designed and installed primarily for service jointly to the City, the City of Pasadena, the City of Burbank and the Municipality, and at all times since June 1, 1937, have jointly served, and it is the desire of the parties that said sections shall continue to jointly serve, the City, the City of Pasadena, the Ciy of Burbank, and the Municipality to and including May 31, 1987;

11. NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties hereto agree as follows, to-wit:

(a) That upon the termination of the Lease and the taking effect of the Adjustment Act for all purposes any and all provisions and agreements to the effect that generation of energy at Boulder Power Plant for the Municipality by the City shall be in accordance with the Lease thenceforth shall be of no further force or effect, and that, in lieu of the generation of such energy by the City as lessee in accordance with the terms of the Lease, such generation thenceforth shall be effected in accordance with said Agency Contract so long as said Agency Contract shall remain in effect, and said Municipality does hereby release the City from any and all obligations to generate energy in accordance with the terms of said Lease, after said Lease shall have been terminated.

Except as herein expressly modified, the said Transmission Contract shall remain in full force and effect until and including May 31, 1987, all references therein to the Lease being understood as references to the Agency Contract, or to

the Proposed City Energy Contract, as may be appropriate and all references to the Existing Glendale Energy Contract being understood as references to the Proposed Glendale Energy Contract, it being the intention of the parties that the contract rights of the parties with respect to the subject matter shall remain unchanged, except as said Contract rights are modified by (1) the express terms of this agreement, (2) the substitution of the Agency Contract and the Proposed City Energy Contract for the Lease and (3) the substitution of the Proposed Glendale Energy Contract for the Existing Glendale Energy Contract.

(b) That, subject to the taking effect of the Adjustment Act for all purposes, and in lieu of the apportionment of generating charges as provided in Article 18 (b), (c) and (d), of the Regulations, the apportionment of generating charges, effective on and after June 1, 1937, for Section G-1, Section T-1-A, and Section G-3, as defined in said Regulations, shall be as follows:

(i) The Municipality shall bear and be charged that portion (herein expressed in percentage) of the total generating charges for said Section G-1 and said Section T-1-A for each year of operation, which bears the same proportion to such total charges as 79,996,750 (being the undiminished annual allocation of kilowatt-hours of firm energy allocated to the Municipality), bears to the total of 1,773,282,220 (being the total undiminished annual allocation of kilowatt-hours of firm energy allocated to the City, the City of Pasadena, the City of Burbank, and the Municipality, including the City's undiminished obligation to take the States' unused firm energy), which said percentage of the Municipality is 4.511 per centum of such total generating charges;

(ii) That the percentage to be borne by the Municipality shall not be affected by any use made of said Section G-1, Section T-1-A, or Section G-3 for the generation of energy other than for said Municipality; and

(iii) That the portion of the total generating charges for Section G-1, Section T-1-A, and Section G-3, not chargeable to any allottee or taker, other than the City, pursuant to said Regulations or to any agreement made thereunder, shall be charged to and borne by the City; and

(iv) The fact that energy generated by means of Section G-3 may reach said Municipality, shall not affect the foregoing percentages, it being the intent that for all purposes pertaining to the apportionment of generating charges, service to the Municipalities shall be deemed to have been solely from Section G-1.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed the day and year first above written.

THE CITY OF LOS ANGELES, acting by and through its Board of Water and Power Commissioners.

By JAMES B. AGNEW, *President.*

[SEAL]

Attest:
(Signed) JOSEPH L. WILLIAMS.

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, by the Board of Water and Power Commissioners.
By JAMES B. AGNEW, *President.*

[SEAL]

Attest:
(Signed) JOSEPH L. WILLIAMS.

THE CITY OF GLENDALE,
By ARCHIE L. WALTERS, *Mayor.*

[SEAL]

Attest:
(Signed) G. E. CHAPMAN,
City Clerk, City of Glendale.

Approved as to Form and Legality
this 24th day of May, 1941.
RAY L. CHESEBRO, *City Attorney.*
(Signed) S. B. ROBINSON,
Chief Assistant City Attorney for Water and Power.

[ITEM 72]

BOULDER CANYON PROJECT

AGREEMENT UPON THE TERMINATION OF LEASE AND THE TAKING EFFECT OF THE ADJUSTMENT ACT

THE CITY OF LOS ANGELES

AND

THE CITY OF BURBANK

MAY 27, 1941

1. THIS CONTRACT, made this 27th day of May, 1941, between THE CITY OF LOS ANGELES, a municipal corporation, and its DEPARTMENT OF WATER AND POWER (said Department acting herein in the name of the City, but as principal in its own behalf as well as in behalf of the City, the term "City" as used herein being deemed to include both The City of Los Angeles and its said Department of Water and Power), and the CITY OF BURBANK, a municipal corporation, hereinafter styled the "municipality", each of said corporations being organized and existing under the laws of the State of California; WITNESSETH THAT:

EXPLANATORY RECITALS

2. WHEREAS, pursuant to the provisions of the Act of Congress approved June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat. 1057), designated the Boulder Canyon Project Act, hereinafter referred to as the "Project Act", THE UNITED STATES OF AMERICA, hereinafter referred to as the "United States", entered into a certain contract designated "Contract for Lease of Power Privilege", dated April 26, 1930, with, severally, the City and SOUTHERN CALIFORNIA EDISON COMPANY LTD., a private corporation, hereinafter referred to as "Edison Company", which con-

tract was thereafter amended by two certain contracts between the same parties, dated May 28, 1930, and September 23, 1931, which said Contract for Lease of Power Privilege, dated April 26, 1930, together with said amendatory contracts, are hereinafter collectively referred to as the "Lease", which Lease provided for the generation, transmission and delivery of energy contracted for by the Municipality; and

3. WHEREAS, the City thereafter entered into a contract designated "Contract for Generation and Transmission of Power", dated September 24, 1931, with the Muncipality, by the terms whereof the City agreed to generate, in accordance with the provisions of said Lease, the energy contracted for by said Municipality by the contract hereinafter designated as the "Existing Burbank Energy Contract", and to transmit and deliver the same to said Municipality, which Contract for Generation and Transmission of Power was thereafter amended by a contract, dated September 15, 1936, between the same parties, both of which said contracts are hereinafter referred to as the "Transmission Contract", and

4. WHEREAS, pursuant to the Acts of Congress hereinbefore mentioned, the Municipality entered into a contract designated "Contract for Electrical Energy", dated November 10, 1931, with the United States, providing among other things for the purchase by the Municipality of electrical energy to be generated at Boulder Dam Power Plant under the provisions of the Project Act, which said Contract for Electrical Energy was thereafter amended by a certain contract between the same parties, dated October 30, 1934, both of which said contracts are hereinafter referred to as the "Existing Burbank Energy Contract"; and

5. WHEREAS, pursuant to the Acts of Congress hereinbefore mentioned, and pursuant to the Act of Congress approved July 19, 1940, (54 Stat. 774), designated the Boulder Canyon Project Adjustment Act, hereinafter referred to as the "Adjustment Act", the Secretary of the Interior has caused to be prepared and to be submitted to the City and the Edison Company for execution, a contract, hereinafter referred to as the "Agency Contract", to which reference is hereby made, providing, among other things, that the Lease shall hereupon terminate, and that, in lieu of the operation of the Boulder Power Plant by the City and Edison Company as lessees, the same shall be operated by the United States through the City and Edison Company as its operating agents; and

6. WHEREAS, the Secretary of the Interior has caused to be prepared and to be submitted to said Municipality for execution, a contract, hereinafter referred to as "Proposed Burbank Energy Contract", providing among other things for the purchase by the Municipality of electrical energy to be generated at Boulder Dam Power Plant under the provisions of the Project Act and pursuant to the Adjustment Act; and

7. WHEREAS, the Secretary of the Interior has caused to be prepared and to be submitted to said City for execution, a contract, hereinafter referred to as "Proposed City Energy Contract", providing among other things for the purchase of electrical energy to be generated at Boulder Dam Power Plant and for the trans-

mission to said Municipality of energy contracted for by it, under the provisions of the Project Act and pursuant to the Adjustment Act; and

8. WHEREAS, it is mutually beneficial to the City and the Municipality that said Lease be terminated and that appropriate contracts be entered into pursuant to the terms of the Adjustment Act, in order that the same may become fully effective; and

9. WHEREAS, under date of May 20, 1941, the Secretary of the Interior approved and promulgated "General Regulations for Generation and Sale of Power in Accordance With the Boulder Canyon Project Adjustment Act," to which reference is hereby made, and which includes provisions that unless otherwise agreed to by the allottees affected, apportionment of generating charges, as defined in said regulations, for a section or sections of machinery and equipment used jointly will be on the basis of energy taken, both firm and secondary, with the minimum annual obligation of each allottee as the minimum considered, that for the purpose of apportioning charges under Article 18 (b), (c), and (d) of said Regulations, Sections G-1 and G-3 shall be considered as one section, and that agreements between allottees regardng said apportionment of generating charges shall be in writing and shall be filed with the said Secretary; and

10. WHEREAS, the main generating facilities comprising Section G-1 and the transforming and switching facilities comprising Section T-1-A were designed and installed primarily for service jointly to the City, the City of Glendale, the City of Pasadena and the Municipality, and at all times since June 1, 1937, have jointly served, and it is the desire of the parties that said sections shall continue to jointly serve, the City, the City of Glendale, the City of Pasadena, and the Municipality to and including May 31, 1987;

11. NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties hereto agree as follows, to-wit:

(a) That upon the termination of the Lease and the taking effect of the Adjustment Act for all purposes any and all provisions and agreements to the effect that generation of energy at Boulder Power Plant for the Municipality by the City shall be in accordance with the Lease thenceforth shall be of no further force or effect, and that, in lieu of the generation of such energy by the City as lessee in accordance with the terms of the Lease, such generation thenceforth shall be affected in accordance with said Agency Contract so long as said Agency Contract shall remain in effect, and said Municipality does hereby release the City from any and all obligations to generate energy in accordance with the terms of said Lease, after said Lease shall have been terminated.

Except as herein expressly modified, the said Transmission Contract shall remain in full force and effect until and including May 31, 1987, all references therein to the Lease being understood as references to the Agency Contract, or to the Proposed City Energy Contract, as may be appropriate, and all references to the Existing Burbank Energy Contract being understood as references to the

Proposed Burbank Energy Contract, it being the intention of the parties that the contract rights of the parties with respect to the subject matter shall remain unchanged, except as said Contract rights are modified by (1) the express terms of this agreement, (2) the substitution of the Agency Contract and the Proposed City Energy Contract for the Lease and (3) the substitution of the Proposed Burbank Energy Contract for the Existing Burbank Energy Contract.

(b) That, subject to the taking effect of the Adjustment Act for all purposes, and in lieu of the apportionment of generating charges as provided in Article 18 (b), (c), and (d), of the Regulations, the apportionment of generating charges, effective on and after June 1, 1937, for Section G-1, Section T-1-A, and Section G-3, as defined in said Regulations, shall be as follows:

(i) The Municipality shall bear and be charged that portion (herein expressed in percentage) of the total generating charges for said Section G-1 and said Section T-1-A for each year of operation, which bears the same proportion to such total charges as 24,997,090 (being the undiminished annual allocation of kilowatt-hours of firm energy allocated to the Municipality), bears to the total of 1,773,282,220 (being the total undiminished annual allocation of kilowatt-hours of firm energy allocated to the City, the City of Glendale, the City of Pasadena, and the Municipality, including the City's undiminished obligation to take the States' unused firm energy), which said percentage of the Municipality is 1.410 per centum of such total generating charges;

(ii) That the percentage to be borne by the Municipality shall not be affected by any use made of said Section G-1, Section T-1-A, or Section G-3 for the generation of energy other than for said Municipality; and

(iii) That the portion of the total generating charges for Section G-1, Section T-1-A, and Section G-3, not chargeable to any allottee or taker, other than the City, pursuant to said Regulations or to any agreement made thereunder, shall be charged to and borne by the City; and

(iv) The fact that energy generated by means of Section G-3 may reach said Municipality, shall not affect the foregoing percentages, it being the intent that for all purposes pertaining to the apportionment of generating charges, service to the Municipalities shall be deemed to have been soley from Section G-1.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed the day and year first above written.

THE CITY OF LOS ANGELES, acting by and through its Board of Water and Power Commissioners.

By JAMES B. AGNEW, *President.*

[SEAL]

Attest:

(Signed) JOSEPH L. WILLIAMS.

DEPARTMENT OF WATER AND POWER OF
THE CITY OF LOS ANGELES, by the Board
of Water and Power Commissioners.
By JAMES B. AGNEW, *President.*

[SEAL]

Attest:
(Signed) JOSEPH L. WILLIAMS.

THE CITY OF BURBANK,
By WALTER R. HINTON, *Mayor.*

[SEAL]

Attest:
(Signed) R. H. HILL, *City Clerk.*

Approved as to Form and Legality
this 24th day of May, 1941.
RAY L. CHESEBRO, *City Attorney.*
(Signed) S. B. ROBINSON,
Chief Assistant City Attorney
for Water and Power.

[ITEM 73]

BOULDER CANYON PROJECT

CONTRACT FOR THE OPERATION OF BOULDER POWER PLANT

THE UNITED STATES

AND SEVERALLY

THE CITY OF LOS ANGELES

AND

SOUTHERN CALIFORNIA EDISON COMPANY LTD.

MAY 29, 1941

(11r–1333)

1. THIS CONTRACT, made this 29 day of May, 1941, pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat. 1057), designated as the Boulder Canyon Project Act, hereinafter referred to as the "Project Act", and to the Act of Congress approved July 19, 1940 (54 Stat. 774), designated as the Boulder Canyon Project Adjustment Act, hereinafter referred to as the "Adjustment Act", between THE UNITED STATES OF AMERICA, hereinafter referred to as the "United States", acting for this purpose by Harold L. Ickes, Secretary of the Interior, hereinafter referred to as the "Secretary", and severally, THE CITY OF LOS ANGELES, a municipal corporation, and its DEPARTMENT OF WATER AND POWER (said Department acting herein in the name of the City, but as principal in its own behalf as well as in behalf of the City, the term "City" as used herein being deemed to include both The City of Los Angeles and its said Department of Water and Power), and SOUTHERN CALIFORNIA EDISON COMPANY LTD., a private corporation, hereinafter referred to as "Edison Compay", both of said corporations being organized and existing under the laws of the State of California:

WITNESSETH THAT:

EXPLANATORY RECITALS

2. WHEREAS, pursuant to the provisions of the Project Act, the United States entered into a certain contract designated as "Contract for Lease of Power Privilege", dated April 26, 1930, with, severally, the City and Edison Company, which contract was thereafter amended by two certain contracts between the same parties, dated May 28, 1930, and September 23, 1931, and was also modified by a certain contract between the United States and the City, dated July 6, 1938, and consented to by Edison Company, which said Contract for Lease of Power Privilege, dated April 26, 1930, together with said amendatory and modifying contracts, are hereinafter collectively referred to as the "Lease"; and

3. WHEREAS, by the terms of the Lease, the United States agreed that it would, at its own cost, construct in the main stream of the Colorado River at Black Canyon, a dam, creating thereby at the date of completion, a storage reservoir having a maximum water surface elevation at about 1222 feet above sea level (U. S. Geological Survey datum) of a capacity of about 29,500,000 acre feet, and that it would also construct in connection therewith outlet works, pressure tunnels, penstocks, power plant building, and furnish and install generating, transforming, and high-voltage switching equipment for the generation of the electrical energy allocated to the various allottees respectively, as stated in the Lease; and

4. WHEREAS, under the Lease, the United States leased to the City for fifty (50) years from the date at which electrical energy would be ready for delivery to the City, as announced by the Secretary in accordance with Article 11 of the Lease, such power plant units and corresponding plant facilities and incidental structures at Boulder Dam as might be necessary to generate the electrical energy allocated to the City and electrical energy for those allottees for which the City was therein designated the generating agency, together with the right to generate such electrical energy, and leased to Edison Company such power plant units and corresponding plant facilities and incidental structures at Boulder Dam as might be necessary to generate the electrical energy allocated to it and electrical energy for those allottees for which Edison Company was therein designated the generating agency, together with the right to generate such electrical energy, for a period beginning with the date at which the first of such power plant units would be ready for operation and water would be available therefor as announced by the Secretary and ending at a time fifty (50) years after the date at which electrical energy would be ready for delivery to the City as provided therein; and

5. WHEREAS, under the Lease, the generation of electrical energy allocated to The Nevada-California Electric Corporation (successor in interest to The Southern Sierras Power Company) is required to be effected by Edison Company (The Nevada-California Electric Corporation and Edison Company being hereinafter collectively referred to as the "Companies"), and under the "Contract for Lease of Power Privilege", dated April 26, 1930, as amended by the contracts dated May 28, 1930, and September 23, 1931, the generation of electrical energy allocated to Los Angeles Gas and Electric Corporation was also required to be effected by Edison Company; and

6. WHEREAS, under the Lease, the generation of electrical energy allocated to the States of Nevada and Arizona, the municipalities of Burbank, Glendale and Pasadena (hereinafter referred to as the "Municipalities"), and The Metropolitan Water District of Southern California (hereinafter referred to as the "District") is required to be effected by the City, and under the contract dated July 6, 1938, the generation of electrical energy allocatd to Los Angeles Gas and Electric Corporation may be effected by the City, at its option; and

7. WHEREAS, the United States, pursuant to the provisions of the Project Act and the above recited provisions of the Lease, has constructed a dam (herein referred to as the "dam" or "Boulder Dam") and constructed thereat a power plant and incidental structures (herein, together with additional facilities and incidental structures in the course of construction or contemplated, collectively referred to as the "Boulder Power Plant"); and

8. WHEREAS, The City and Edison Company, and each of them, has, in reliance upon the provisions of the Lease, constructed, at large cost to each of them, facilities incidental to generation, transmission lines from the Boulder

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Power Plant to metropolitan load centers in California, and other facilities for the purpose of utilizing on their respective systems energy generated by each of them, respectively, at Boulder Power Plant; and

9. WHEREAS, pursuant to the Lease, the City and Edison Company are in possession of and are operating the portions of the Boulder Power Plant leased to them, respectively; and

10. WHEREAS, by the terms of the Adjustment Act it is provided that the Secretary is authorized to negotiate for and enter into a conract for the termination of the existing Lease of the Boulder Power Plant; that, in the event of such termination the operation and maintenance, and the making of replacements, however necessitated, of the Boulder Power Plant, by the United States, directly or through such agent or agents as the Secretary may designate, is authorized; that the powers, duties, and rights of such agent or agents shall be provided by contract, which may include provision that questions relating to the interpretation or performance thereof may be determined, to the extent provided therein, by arbitration or court proceedings; and that the Secretary, in consideration of such termination of such existing Lease, is authorized to agree (a) that the lessees therein named shall be designated as the agents of the United States for the operation of said power plant; (b) that (except by mutual consent or in accordance with such provisions for termination for default as may be specified therein) such agency contract shall not be revocable or terminable; and (c) that suits or proceedings to restrain the termination of any such agency contract, otherwise than as therein provided or for other appropriate equitable relief or remedies, may be maintained against the Secretary; and said Act further provides that suits or other court proceedings pursuant to the foregoing provisions may be maintained in, and jurisdiction to hear and determine such suits or proceedings and to grant such relief or remedies is thereby conferred upon, the District Court of the United States for the District of Columbia, with the like right of appeal or review as in other like suits or proceedings in said court; and

11. WHEREAS, since each of the lessees considers it advantageous to them to continue to operate the portions of the Boulder Power Plant serving them in connection with their other respective sources of supply and systems, each of the lessees is willing to agree to the termination of the Lease in consideration of the benefits to flow from the carrying of the Boulder Canyon Project Adjustment Act into full effect and in consideration of the operation, maintenance, and making of replacements, however necessitated, of the Boulder Power Plant being effected through the City and Edison Company as operating agents during the period ending May 31, 1987, upon the terms and conditions hereinafter set forth; and

12. WHEREAS, the Secretary is willing that the City and Edison Company be designated as such operating agents upon the terms and conditions hereinafter set forth;

13. NOW, THEREFORE, in consideration of the provisions, covenants and conditions herein contained, the parties hereto agree as follows, to wit:

TERMINATION OF LEASE

14. At the time specified in Article 15 (d) hereof, for the commencement of the operation of the Boulder Power Plant by the United States through the agents hereinafter designated, the Lease shall terminate.

DESIGNATION OF OPERATING AGENTS AND TERMS OF OPERATION

15. (a) The City is hereby designated as the agent of the United States for the operation and maintenance, and the making of replacements, however necessitated, of that portion of the Boulder Power Plant which from time to time during the term of such agency may be necessary for the generation of electrical energy to be taken (1) by the City, the States of Arizona and Nevada, the District and the Municipalities, their successors or assigns, (2) by the United States, under any right now existing or hereafter reserved, out of the City's allocation, or (3) by any taker (including the United States, but excluding the Companies, their successors or assigns), which under any right now existing or hereafter created may take any portion of the electrical energy now or hereafter allocated to, but not taken by, the City, the States of Arizona or Nevada, the District or the Municipalities, their successors or assigns; and the City hereby agrees to act as such agent.

(b) Edison Company is hereby designated as the agent of the United States for the operation and maintenance, and the making of replacements, however necessitated, of that portion of the Boulder Power Plant which from time to time during the term of such agency may be necessary for the generation of electrical energy to be taken (1) by the Companies, their successors or assigns, (2) by the United States, under any right now existing or hereafter reserved, out of Edison Company's allocation, or (3) by any taken (including the United States, but excluding the City, the States of Arizona or Nevada, the District or the Municipalities, their successors or assigns), which under any rights now existing or hereafter created may take any portion of the electrical energy now or hereafter allocated to, but not taken by, either of the Companies, their successors or assigns; and Edison Company hereby agrees to act as such agent.

(c) The City and Edison Company, in their respective capacities as such agents, are hereinafter referred to as the "Operating Agents". Each of the designations and acceptances made by the foregoing Articles 15 (a) and (b) is subject, nevertheless, to the provisions of Article 16 hereof with reference to those facilities which are necessary for use in connection with both of the above designated portions of the Boulder Power Plant, or in connection with either of said portions and the properties operated by the United States directly, here-

inafter referred to as "common facilities", and is subject also to the following provisions:

(i) Should it prove of material economic advantage to the States of Arizona or Nevada, or either of them, to have a portion of their energy generated by Edison Company, generation thereof may be so effected upon written authorization by the Secretary, after notice to all allottees and opportunity to present their views, provided consent thereto in writing, executed by the State affected and the Operating Agents, shall be filed with the Secretary;

(ii) At times when the District may desire to use off-peak energy in addition to energy available from generating equipment operated by the City, it may, by agreement with Edison Company, arrange for generation of energy needed by the District and not obtainable from generating equipment operated by the City, provided that no allottee shall be detrimentally affected thereby;

(iii) The United States shall have the right to have any energy reserved to it out of the allocation of one Operating Agent generated at any time by the other, in which case said other Operating Agent shall be paid appropriate generating charges for such energy actually generated.

(iv) Generation of energy taken by the City as assignee of Los Angeles Gas and Electric Corporation may be effected, at the option of the City, by Edison Company or by the City; and

(v) Whenever any allottee, either temporarily or permanently, needs and is entitled to receive energy over and above that available to it from the Operating Agent designated to generate energy for such allottee, such allottee shall have the right, subject to such conditions as may be agreed upon by such allottee and the Operating Agents and all other allottees affected, or if they cannot agree, as may be determined by the Secretary, after notice and opportunity to said Operating Agents and allottees to present their views, to have all or a part of such additional energy generated by the other Operating Agent.

(d) The term of each such agency shall commence at midnight, Pacific Standard Time, on the last day of the calendar month in which the Adjustment Act shall have become fully effective, pursuant to its terms, and shall continue in effect until and including May 31, 1987, and shall not be subject to prior termination except by consent of all the parties hereto or in accordance with the provisions for termination for default specified in Article 24 hereof.

SPECIFICATIONS OF PROPERTIES TO BE OPERATED, MAINTAINED AND REPLACED BY THE OPERATING AGENTS

16. (a) In accordance with the designations made in Article 15 hereof, the City shall operate and maintain, and make all replacements, however necessitated, of the generating equipment and incidental structures and properties specified and referred to in the list of properties hereto appended, entitled "Specifications of Properties of the United States to be Operated, Maintained, and Replaced by the City" and marked Exhibit "A", and Edison Company shall operate and maintain, and make all replacements, however necessitated, of, the generating equipment and incidental structures and properties specified and

referred to in the list of properties hereto appended, entitled "Specification of Properties of the United States to be Operated, Maintained, and Replaced by Edison Company" and marked Exhibit "B". By mutual consent of the City and Edison Company and the Secretary, said lists of properties may be amended, from time to time, by the transfer of items or units of property from one of said lists to the other, or by modifying the provisions thereof with respect to the use or control, as between the Operating Agents, of common facilities. Said lists may also be amended, from time to time, by direction of the Secretary, after notice to the Operating Agents, and all other allottees, and opportunity to present their views, in order to insure the availability of generating units for service to the allottees for whom the Operating Agents, respectively, are required hereunder to generate energy. By mutual consent of the Secretary and the Operating Agents, either of said lists of properties may also be amended, from time to time, after notice to all other allottees and opportunity to present their views, by adding thereto, or eliminating therefrom, units or items of properties; provided, however, that if, in the case of any new unit or item of property not theretofore included in either of said lists, such mutual consent shall not be given, said item shall be added to the one of said lists designated by the Secretary. The obligation of the Operating Agents with respect to operation, maintenance, and replacements shall not commence as to any structures, equipment, or facilities comprising a portion of Boulder Power Plant which may be in the course of construction or installation by the United States at the time of the taking effect of this contract or which may thereafter be constructed or installed by the United States, unless otherwise agreed between the Operating Agent affected and the Director of Power of the Project appointed by the Secretary (hereinafter referred to as "Director"), until such structures, equipment, or facilities shall have been fully constructed and installed, and the Operating Agent affected shall have been notified in writing by the Director that they are ready for use or operation.

(b) Any common facility operated by the United States directly shall be available for use by either Operating Agent, subject to proper adjustment of costs and such other terms and conditions as the Director may provide.

(c) If either Operating Agent in good faith as a part of its duties hereunder shall operate, maintain or replace any unit or item of property of the United States not specified in Exhibit "A" or Exhibit "B", as the case may be, as a unit or item to be operated, maintained or replaced by that Operating Agent, such Operating Agent shall receive compensation in an amount equal to the aggregate of all costs reasonably incurred by it in such operation, maintenance and replacement, as from the time the operation of such unit or item of property commenced, as determined by the Director in the same manner provided in Article 23.

(d) Change in either of the lists made pursuant to this Article 16 may be effectuated by any appropriate writing signed on behalf of the parties con-

cerned, as follows: in the case of the United States, by the Secretary; in the case of the City, by the Chief Electrical Engineer and General Manager of the Bureau of Power and Light, Department of Water and Power; and in the case of Edison Company, by its Chief Engineer.

(e) Nothing in this contract shall preclude the performance by any party to this agreement, at the request of any other party hereto, of work or duties which by or under the terms of this contract are to be done or performed by the party making such request; provided, however, that such work or duties of one Operating Agent shall not be done or performed by the other without the consent of the Director.

DUTIES, POWERS AND RIGHTS OF OPERATING AGENT

17. (a) Each Operating Agent shall have charge, subject to the supervision of the Director, as more particularly provided elsewhere herein, of the operation, maintenance, and the making of replacements, however necessitated, of that portion of the Boulder Power Plant for which, by the provisions hereof, it is designated the Operating Agent. Each Operating Agent may furnish and install such new units or items of property as may, in the judgment of the Operating Agent, be reasonably necessary, at a cost of not to exceed $1,000 in any one case, subject to all the provisions hereof applicable to operation, maintenance and replacements.

(b) The Operating Agents shall severally provide and furnish all labor, services, supplies, materials, machinery and equipment and the use of equipment, facilities or other property, and do and perform each and every act (except as hereinafter in this Article, or elsewhere herein, provided), which may be required for operation, maintenance or replacements, however necessitated, for which they, respectively, are responsible.

(c) By mutual agreement of the Operating Agent or Agents affected and the Secretary or the Director, the United States may, in any instance, purchase and deliver to such Agent or Agents any supplies, material, machinery or equipment required for such operation, maintenance or replacements, and in purchasing any such machinery or equipment, the Secretary may, with the consent of the Operating Agent affected, require the installation thereof by the manufacturer or contractor furnishing the same.

(d) Upon requisition filed with the Director by either Operating Agent, the United States may furnish and deliver to such Operating Agent any supplies, material, machinery or equipment required for such operation, maintenance or replacements, which it may have on hand, and which, as determined by the Director, are available for such furnishing and delivery.

(e) Upon requisition filed with the Director by either Operating Agent, the United States may also furnish the temporary use of any equipment, facilities or other property required for such operation, maintenance or replacements, which

may be on hand, and which, as determined by the Director, are available for such use.

(f) Upon requisition filed with the Director by either Operating Agent, the United States will perform, with its own forces, work required in connection with operation, maintenance or replacements for which such Operating Agent is responsible, if it has available, as determined by the Director, the labor and facilities necessary therefor.

(g) All materials, supplies, machinery and equipment purchased pursuant to the provisions of this Article, whether by the United States or by an Operating Agent, shall be in accordance with specifications prepared by the Operating Agent and, except in the cases of expendable materials or supplies purchased by such Operating Agent, approved by the Director. In the case of all purchases by the United States, the Operating Agent concerned shall cooperate with the United States in the consideration of all proposals received and may make recommendations as to the letting of the contract.

(h) Costs incurred by the United States for any supplies, materials, machinery or equipment furnished, or work performed, by it under the provisions of this Article 17, and charges for the use, under said Article, of equipment, facilities or other properties (which charges shall be determined by the Director on the basis of current charges or rates used by the United States in its own operations), shall, as requested by the Operating Agent concerned, be billed to such Operating Agent or charged directly by the United States to appropriate accounts. If billed, such costs shall be included as costs incurred by such Operating Agent in any subsequent statement submitted in accordance with the provisions of Article 23 (e) hereof. Settlement of any such costs so billed may be effected by such Operating Agent either by (1) payment to the United States or (2) credit allowance in any statement of costs incurred as subsequently submitted by such Operating Agent.

(i) The title to all supplies, material, machinery or equipment so purchased or furnished and delivered by the United States, or the temporary use of which is furnished by the United States, shall remain in the United States and shall not pass to Operating Agent upon such delivery. The title to all supplies, material machinery and equipment provided and furnished pursuant to Article 17 (b) hereof, shall pass to the United States when compensation based on the cost thereof shall have been made as in this contract provided; however, that when the use of equipment, facilities or other property shall be provided and furnished by an Operating Agent, the title thereto shall remain in such Operating Agent and shall not pass to the United States.

(j) Except in the case of emergency, no substantial change in any of said works, including substantial changes involved in making replacements, shall be made by either Operating Agent without first having had and obtained the written consent of the Director who shall determine whether any change is substantial.

(k) (i) If at any time machinery, equipment or other property under the control of either Operating Agent shall be, as determined by the Director, in such defective, dangerous or improper condition as to endanger life or property, and such Operating Agent shall be notified thereof by the Director, such Operating Agent shall promptly correct such defective, dangerous or improper condition by adequate repairs or replacements, and in case of its neglect so to do, the United States may, at its option, in addition to any other remedy available to it, make such repairs or replacements as it may deem necessary to remove such condition.

(ii) If either Operating Agent shall so improperly operate any machinery, equipment or other property under its control as to endanger life or property, as determined by the Director, such Operating Agent shall, upon direction from the Director, promptly change its method of operation so as to avoid or remove the danger, and in case of its neglect, as determined by the Director, so to do, the Director may, at his option, in addition to any other remedy available to the United States, take charge of the operation of so much of the machinery, equipment or other property under the control of said Operating Agent as may be necessary for the avoidance or removal of the danger, and may continue in charge thereof until he shall have received from such Operating Agent adequate assurances that such improper operation will not recur, or until, on appeal, his directions shall have been reversed by the Secretary. Upon the giving of such assurances or upon such reversal by the Secretary, the Director shall surrender the charge of the operation of such machinery, equipment or other property, and the Operating Agent or Agents shall be reinstated therein.

(iii) All cost incurred by the United States under this Article 17 (k) shall be determined and billed or charged in the same manner as provided by Article 17 (h).

(l) It shall be the duty of each Operating Agent to keep informed, as far as practicable, of the requirements for electrical energy of each allottee and of each contractor, and to that end the Secretary shall require of all allottees and of all contractors advance notice to the Director and to the Operating Agent or Agents affected of their requirements, or of their additional or decreased requirements, including estimates of kilowatt hours, maximum demands, anticipated annual load curves by months, and all other inforamtion necessary to enable the Operating Agents to prepare for participation in programming integration of operations under Article 20 hereof and to make the recommendations hereinafter required. Each Operating Agent shall inform the Director of the receipt from the allottees and the contractors served by it of any such notices and shall, from time to time, as far as is practicable, on the basis of such notices, and its knowledge of the load requirements of such allottees and of such contractors, make recommendations to the Director respecting the design, capacity, and time of installation of additional generating machinery and equipment to the end that additional machinery and equipment may be made available

by the United States in accordance with its obligations. It shall be the duty of each Operating Agent to cooperate with the United States in the preparation of designs for additional machinery and equipment required by it, and in the preparation of plans and specifications therefor. Each Operating Agent and allottee affected thereby shall have the opportunity to present its views to the Secretary or his representatives, upon the design and capacity of additional machinery and equipment to be provided and installed by the United States, before proposals for the furnishing of the same are invited, and to consider all proposals received and to make recommendations as to the letting of contracts before the same are let, but the determination of the Secretary (or his representatives authorized to make award of such contracts) on these matters shall be final.

(m) The Operating Agents shall have reasonable access to and use of, all facilities under the control of the United States, necessary or convenient for the ingress, egress and transportation of men and materials in the performance of their duties hereunder.

(n) In the event the Secretary notifies an Operating Agent that any employee of said Operating Agent employed at the Project, and engaged in operation, maintenance, or the making of replacements hereunder is unsatisfactory, and states in said notice the cause of dissatisfaction, said Operating Agent shall promptly remove such cause of dissatisfaction, to the satisfaction of the Secretary, by removal of such employee from the Project, or otherwise.

(o) All of the obligations, responsibilities, rights and duties of the Operating Agents under this contract shall be several and not joint.

POWERS AND DUTIES OF THE DIRECTOR

18. The Director shall have power to:

(i) Exercise general supervision over operation and maintenance and the making of replacements by the Operating Agents;

(ii) Enforce rules and regulations promulgated by the Secretary relating to the Project; and

(iii) Give to the Operating Agents, or either of them, such directions as may be reasonably necessary for such enforcement and in the supervision of operation, maintenance and the making of replacements by the Operating Agents;

provided that direction and supervision of the Operating Agents with regard to integration of operations shall be in accordance with the provisions of Article 20 hereof.

METERING EQUIPMENT AND RECORDS OF WATER DELIVERED AND ELECTRICAL ENERGY GENERATED

19. (a) Metering equipment installed for the purpose of measuring water and energy shall be maintained, and replacements thereof made, by the re-

spective Operating Agents. Meters shall be tested by the United States at any reasonable time on request of either the United States or of either Operating Agent, or, in the case of electrical meters, on request of any allottee whose energy is measured by any such meter, and, in any event, electrical meters shall be tested at least once each year. Electrical metering equipment shall be tested by means of suitable testing equipment which shall be furnished by the United States and which shall be calibrated by the National Bureau of Standards as often as requested by any party hereto, or by any allottee, and, in any event, at least once every five (5) years. All meters shall be kept sealed and the seals shall be broken, and all tests of metering equipment shall be conducted, only in the presence of representatives of both the United States and the Operating Agents, respectively, and after any allottee concerned is given notice and opportunity to be present.

(b) Each Operating Agent shall make full and complete written monthly reports as directed by the Secretary, on forms to be supplied by the United States, of all water delivered to the turbines operated by it and of all electrical energy generated by it at the Project, and the disposition thereof. Each such report shall be made and delivered to the Director and a copy thereof delivered to the other Operating Agent on or before the fourth day of the month immediately succeeding the month covered thereby.

INTEGRATION OF OPERATIONS

20. (a) The United States, subject to the statutory requirement referred to in Article 20 (b) (i) hereof and pursuant to agreement with the District, will interchange energy from its hydroelectric plants on the Colorado River below Boulder Dam with energy allocated to the District and generated at Boulder Power Plant in so far as such interchange can be effected without interfering with service to the District and without impairing or extending the rights or obligations, respectively, of other allottees. The United States will so interchange energy in so far as practicable, as a means of effecting integration of operations as between Boulder Power Plant and other projects on the Colorado River owned and operated by the United States at which power is or may be developed, as the primary step in any program of integration of operations agreed upon, decided or determined pursuant to Article 20 (b) hereof.

(b) (i) Subject to the statutory requirement that Boulder Dam and the reservoir created thereby shall be used: First, for river regulation, improvement of navigation and flood control; second, for irrigation and domestic uses and satisfaction of perfected rights mentioned in Section 6 of the Project Act; and third, for power, the operation of Boulder Power Plant shall be reasonably integrated with the operation of other projects on the Colorado River owned and operated by the United States at which power is or may be developed and with the operations by the Operating Agents of their respective systems, including their other sources of electrical energy; provided that the time and rate of

delivery of energy to allottees and contractors other than the City and Edison Company (while they are Operating Agents under this contract) shall not be affected by any program of integrated operation agreed to, decided on or determined under this Article 20. Such reasonable integration of operation shall be with the view of effecting economical and efficient use of generating machinery and equipment and economical and efficient use of water at Boulder Dam and such other projects and at the Operating Agents' other sources of electrical energy. It is understood and agreed that within the limits of use of water for power purposes at Boulder Power Plant fixed in a program of integration of operations agreed upon, decided or determined under Article 20 (b) hereof, and during the effective period of such program, the manner of integration between Boulder Power Plant and the other sources of power on the respective systems of the Operating Agents shall rest with the respective Operating Agents, it being the intention of the parties that the programs of integration, although agreed upon, decided on or determined for the purposes and with the views set forth above, shall directly control only the manner in which the Operating Agents shall or may operate Boulder Power Plant and shall not affect the manner in which the Operating Agents operate their respective systems, including their other sources of electrical energy, except as such operations by the Operating Agents of their respective systems may be consequentially affected by such direct control of Boulder Power Plant operations. In accordance with Article 17 (o) hereof, the obligations, responsibilities, rights and duties of the Operating Agents under this Article 20 (b) shall be several and not joint; and in the event this contract is terminated as to one of the Operating Agents, the provisions of this Article 20 (b) shall remain applicable to the other. No limitation imposed by such program of integration shall reduce the amount of electrical energy which either the City or Edison Company is entitled to take in any year of operation, but any such limitation shall apply solely to the time within any year of operation at which such energy may be taken by the City or Edison Company, respectively, while an Operating Agent under this contract.

(ii) At least once each calendar year the Secretary or his duly authorized representative and a duly authorized representative of each Operating Agent shall meet at the Project, upon the request of any one of the three, for the purpose of programming integration of operations under Article 20 (b) hereof. As hereinafter used in this Article 20 the word "Secretary" is understood to mean the Secretary of the Interior or his duly authorized representative. Notice of and opportunity to present views at such meeting shall be given to each of the other allottees by the Secretary. Any program agreed to by all three representatives at such meeting shall be effective and controlling for 12 months from the date of the agreement or for any lesser period that may be fixed in the agreement, except that any such agreement may be modified by mutual consent of the Secretary and the representatives of the Operating Agents. At any time in any such meeting, or in the event of failure to agree, any one of the three may

require that the matter of programming integration of operations be submitted to arbitrators, in accordance with Article 20 (b) (iv) hereof, for decision. Each decision of such arbitrators shall be effective and controlling for 12 months from the date of the decision or for such shorter period as may be fixed in the decision, except that it may be modified by mutual consent of the Secretary and the Operating Agents.

(iii) During any period when there is not in effect an agreement or a decision, under Article 20 (b) (ii) hereof, controlling integration of operations, the program of integration of operations shall be as determined and announced to the allottees from time to time by the Secretary, and each such program as determined by the Secretary shall be conclusive and controlling on the parties hereto unless and until modified by an agreement or decision made pursuant to Article 20 (b) (ii) hereof.

(iv) Any demand for arbitration under Article 20 (b) (ii) hereof shall be made by written notice to the parties to this contract. Any such notice to the United States shall be given to the Secretary. Upon receipt of each such notice one arbitrator shall be named by the Secretary, and he shall be present at the Project and available for performance of his duties as arbitrator within five days after receipt by the Secretary of the notice hereinabove provided for; one arbitrator shall be named by the Operating Agents; and a third arbitrator shall be selected by the other two arbitrators thus named. The Secretary and the Operating Agents, respectively, may name alternate arbitrators. In the event the two arbitrators named fail to select such third arbitrator within fifteen days from the date of the notice hereinabove provided for, such third arbitrator shall be selected by the Chief Justice of the Supreme Court of the United States. The arbitrators shall give to all allottees notice and opportunity to present views. The decision of any two arbitrators shall be a valid decision.

(v) If either Operating Agent shall fail, as determined by the Director, to comply with a program of integration of operations agreed to or decided on under Article 20 (b) (ii) hereof, or determined by the Secretary under Article 20 (b) (iii) hereof, for a period of three days after receipt of written request by the Director for compliance, the Director may, at his option, in addition to any other remedy available to the United States, take charge of the operation of so much of the machinery, equipment or other property at Boulder Power Plant under the control of said Operating Agent as the Director deems necessary to effect compliance with such program of integration of operations and may continue in charge thereof until he shall have received from such Operating Agent assurances determined by the Director to be adequate that such program will be complied with, or until his action under this subdivision (v) shall have been reversed or modified upon an appeal pursuant to Article 27 (a) hereof. Upon the giving of such assurances or upon such reversal by the Secretary, the Director shall surrender the charge of the operation of such machinery, equipment or other property, and the Operating Agent or Agents shall be reinstated therein.

INSPECTION AND ACCESS

21. (a) The Secretary, or his duly authorized representatives, shall at all times have the right of ingress to and egress from all works operated by the Operating Agents, under this contract, for the purposes of supervision and inspection thereof, and for the purposes of operation and maintenance of works operated directly by the United States, and for all other proper purposes.

(b) The Secretary, or his duly authorized representatives, shall also have free access at all reasonable times to the books, records and accounts of the Operating Agents relating to the operation, maintenance and replacements of machinery and equipment hereunder or to the generation and delivery of electrical energy hereunder, with the right at any time during office hours to make copies of or from the same. Each of the allottees of electrical energy generated at the Boulder Power Plant, through their duly authorized representatives, shall have the like right of access and the right to make copies, limited, however, to matters affecting the allottee exercising such right.

GENERATION IN ACCORDANCE WITH CONTRACT

22. (a) Each Operating Agent severally, in accordance with the designations made in Article 15 hereof, shall generate, and shall deliver at transmission voltage, electrical energy in compliance with any program of integration of operations agreed to, decided on, or determined purusant to Article 20 hereof and in accordance with the requirements of contracts heretofore or hereafter made by the United States for the delivery of electrical energy from Boulder Dam; provided that the United States shall have provided generating, transforming and other equipment and water adequate therefor.

(b) In the event of dispute as to the electrical energy to which any contractor is entitled, the Director shall instruct the Operating Agent affected as to the electrical energy to be delivered to such contractor, and such Operating Agent shall, subject to the provisions of Article 27 hereof, comply with such direction.

(c) Each Operating Agent shall, upon receipt of written notice from the Director that any contractor is not entitled to further delivery of electrical energy under the terms of its contract or contracts, immediately discontinue the generation for or delivery of electrical energy to such contractor until receipt of further notice from the Director; provided, however, that if such contractor and another contractor are served through the same switches, or other facilities, located at the Boulder Power Plant, so that it is not practicable to disconnect at the Boulder Power Plant service to the contractor not entitled to electrical energy, without interrupting the service to such other contractor, the Operating Agent shall not make such disconnection, but, so far as may be consistent with its obligations under law or contract, shall use all means under its control (whether in its capacity as Operating Agent or otherwise) to accomplish dis-

continuance of delivery of electrical energy from Boulder Power Plant to the contractor not entitled thereto.

COMPENSATION FOR OPERATION

23. (a) Each Operating Agent shall receive as compensation for the performance of its duties hereunder, an amount equal to the aggregate of all costs properly and reasonably incurred by it in such performance. The reasonableness or propriety of such costs shall be determined by the Director. Such costs shall include, without limiting the generality of the foregoing, the following:

(i) The cost of all direct labor (including supervision and engineering at the Power Plant), materials, supplies, machinery, equipment and other property or services provided or furnished by the Operating Agent;

(ii) The cost of the use of automotive or other mobile equipment owned or controlled by the Operating Agent, determined on the basis of current charges or rates used by the Operating Agent in its own operations;

(iii) The cost of the use of other property owned or controlled by the Operating Agent, determined on the basis of current charges or rates used by the Operating Agent in its own operations;

(iv) The cost of shop, laboratory, store and other services provided by the Operating Agent through facilities used in the operation of its own system, determined on the basis of current rates used by the Operating Agent in its own operations;

(v) The cost of supervision and engineering (excluding supervision and engineering at the Power Plant), determined on the basis of current rates used by the Operating Agent in its own operations;

(vi) The cost of the use of housing facilities and of the use of other equipment furnished, owned, or controlled by the Operating Agent, determined on the basis of (a) interest on investment, taxes, and insurance, and (b) accrued depreciation, rentals paid or earned, and all other costs applicable to such use;

(vii) The cost of insurance (other than insurance specified in (vi) above mentioned);

(viii) The cost of taxes (other than taxes specified in (vi) above mentioned) or charges of any kind whatsoever levied or imposed upon the Operating Agent by Federal, State or other Governmental authority, and arising out of or properly allocable to, the performance of its duties as such Operating Agent;

(ix) The cost arising from claims and liabilities for injuries to or death of employees or others, or damages to property, not covered by insurance;

(x) The cost of administrative and general expenses, hereby determined to be

(15 per cent of the aggregate of all charges mentioned in items (i) to (v), inclusive, and in sub-item (b) of item (vi) of this Article 23 (a) (except in the case of labor, materials, equipment or services provided by the United States by agreement or upon requisition of the Operating Agent, or work performed by third parties under contract);

5 per cent of the aggregate of all charges mentioned in sub-item (a) of item (vi) and in items (vii) to (ix), inclusive, of this Article 23 (a); and

5 per cent of the cost of labor, materials, equipment, or services provided by the United States by agreement or upon requisition of the Operating Agent, or work performed by third parties under contract;

(xi) The amortization, as determined by the Secretary, of the cost of training

operators during the period prior to June 1, 1937, in the case of the City, and during the period prior to June 1, 1940, in the case of Edison Company.

(b) The amount included in such costs for property furnished by the Operating Agent out of stock on hand or otherwise without current out-of-pocket outlay therefor shall be the average cost of similar property on hand as shown on the books of the Operating Agent.

(c) The amount included in such cost for labor or property provided, furnished or used in part in connection with the duties of the Operating Agent as such and in part in connection with other activities of the City or Edison Company, as the case may be, shall be the proper proportion of the costs of such labor and of the costs incurred in connection with the providing, furnishing or using of such property.

(d) It is the intent of this contract that neither Operating Agent shall make any profit or suffer any loss by reason of the performance of its duties hereunder.

(e) On or before the twenty-fifth day of each calendar month each Operating Agent shall submit to the Director a statement covering all costs incurred by it in the performance of its duties hereunder which have been recorded by it on books of account during the preceding calendar month, showing, or accompanied by a report showing, in detail, all items of such costs; provided, however, that any such costs not readily ascertainable at the date such statement is submitted may be included therein on the basis of reasonable estimates, subject to adjustment to actual cost as soon as practicable thereafter, or may, together with any delayed items of cost, be included in a subsequent statement. Simultaneously with the submission of each such statement to the Director a copy thereof shall be mailed or delivered by the Operating Agent to each allottee and each contractor which shall have filed with the Secretary a request for such copies and shall have furnished to the Operating Agent a copy of such request, at an address specified in such request. Each such allottee and each such contractor shall have the right at any time on or before the 25th day of the calendar month next succeeding that in which such statement is submitted to submit objections to any item of such statement is submitted to submit objections to any item of such statement, and the right at any time within 30 days after the determination of the Director as to the reasonableness or properiety of such item to appeal to the Secretary from such determination, with opportunity to present its views. Neither the making of such objection nor the taking of such appeal shall delay the credit provided for in Article 23 (f) hereof, but if any such objection shall be sustained by the Director or by the Secretary upon appeal subsequent adjustment shall be made as provided by said Article 23 (f). Any determination of the Director or of the Secretary as to the reasonableness or propriety of any item of such statement shall be binding upon the other Operating Agent and all allottees and contractors to the same extent as it may be binding upon the Operating Agent submitting such statement.

(f) The total amount of any such statement as submited, less credit allowances as provided in Article 17 (h), shall be credited upon the next bill submitted by the United States to such Operating Agent in its capactiy as a contractor for energy; provided, however, that such crediting shall not preclude subsequent adjustment if through error or the final disallowance of any part thereof the same shall have been found to be incorrect in any particular.

(g) If the amount of any such statement shall be in excess of the amount so billed by the United States, then the amount of such excess shall be deemed to be an advance payment of amounts thereafter to become due to the United States from such Operating Agent in its capacity as a contractor for electrical energy, and such Operating Agent in its capactiy as such contractor, shall be credited with interest on the excess amount, or the remaining balance thereof, at the rate of 3 per cent per annum from the first day of the calendar month following the submission of such statement until offset, by the accrual of amounts due from such Operating Agent in its capacity as a contractor for electrical energy, or paid as next herein provided.

(h) If all such advance payments have not been so offset at the close of any year of operation, then the United States shall pay the excess, with interest as above provided, to said Operating Agent on the first day of July next following or as soon thereafter as funds are available therefor; provided, that if at any time during such year of operation it shall appear to the Director that the aggregate of such advance payments theretofore made will probably exceed the aggregate of the amounts to become due from such Operating Agent to the United States during the remainder of such year of operation, as payments for energy in its capacity as contractor for electrical energy, the United States may make immediate payment to such Operating Agent of such excess, with interest as above provided.

(i) Accounts of costs incurred by the Operating Agents hereunder shall be kept in accordance with the system of accounting prescribed in rules and regulations duly promulgated by the Secretary.

(j) On or before March 1 of each year, each Operating Agent shall submit to the Secretary an estimate of costs which it expects, during the following year of operation, to incur in the operation and maintenance of its portion of the Boulder Power Plant, and in the making of replacement thereof; provided that such estimate for the year of operation commencing June 1, 1941, shall be submitted as soon as practicable after the commencement of the term of the agency as provided in Article 15 (d).

(k) Either Operating Agent may, in its discretion, apply to the Director for the advance approval of any item or items of expenditure or of obligation proposed to be made or incurred by such Operating Agent in the performance of its duties. Credit shall not be denied to either Operating Agent for any item which shall have been approved by the Director, after notice to any allottee affected and opportunity to such allottee to present its views upon

such application of the Operating Agent, pursuant to this Article 23 (k) or by the Secretary on appeal pursuant to Article 27 (a) hereof.

REMEDIES FOR BREACH OF CONTRACT

24. (a) In addition to any other right or remedy which the United States may have, the Secretary may enter, take possession of, operate and maintain and make replacements of so much of the Boulder Power Plant operated by an Operating Agent, as the Secretary deems necessary, if he makes a preliminary determination:

(i) that such Operating Agent has committed a breach of this contract which deprives another allottee or contractor or the United States of electrical energy which it is the duty of such Agent to deliver under Article 22 hereof, and that such Agent has continued so to breach the contract for three (3) days after receipt of written notice from the Secretary to such Agent requesting discontinuance of the breach;

(ii) that such Operating Agent has committed any other material breach of this contract, and that such breach has continued for thirty (30) days after receipt of written notice from the Secretary to such Agent requesting discontinuance of such breach.

The Secretary shall remain in possession and continue to operate and maintain such portion of the Boulder Power Plant until the Operating Agent involved is reinstated under Article 24 (c) hereof or as the result of arbitration or court proceedings.

(b) In addition to any other right or remedy which the United States may have, the Secretary may terminate this contract by an order of termination which shall fix the date of termination not earlier than four (4) years from the date of said order, if after notice and hearing accorded by the Secretary to the Operating Agent involved, and upon the basis of the record made at such hearing, the Secretary determines:

(i) that such Operating Agent has committed a breach of this contract which deprives another allottee or contractor or the United States of electrical energy which it is the duty of such Agent to deliver under Article 22 hereof, and that such Agent has continued so to breach the contract for three (3) days after receipt of written notice from the Secretary to such Agent requesting discontinuance of the breach;

(ii) that such Operating Agent has committed a breach of this contract by reason of such Agent's failure to comply with a program of integration of operations agreed to, decided on or determined pursuant to Article 20 (b) hereof, and that such Agent has continued so to breach the contract for three (3) days after receipt of written notice from the Secretary to such Agent requesting discontinuance of such breach; or

(iii) that such Operating Agent has committed any other material breach of this contract, and that such breach has continued for thirty (30) days after receipt of written notice from the Secretary to such Agent requesting discontinuance of such breach.

Possession taken by the Director pursuant to Article 17 (k) or Article 20 (b) (v) shall be deemed to be possession by the Secretary if continued for thirty (30)

days, and in that event, or in the event possession taken by the Secretary pursuant to Article 24 (a) is continued for thirty (30) days, it shall be the duty of the Secretary thereupon to give notice of a hearing for termination proceedings under this Article 24 (b) and to hold and complete such hearing and, if he shall determine to enter an order of termination, then also to enter such order, within sixty (60) days after the expiration of said thirty (30) days' possession, unless the Operating Agent or Agents affected shall have requested or consented to an extension of such time. If possession has not theretofore been taken, the Secretary may, at any time after the entry of an order of termination, enter, take possession of, operate and maintain and make replacements of so much of the Boulder Power Plant operated by the Operating Agent or Agents affected as he deems necessary; and the Secretary shall remain in possession and continue to operate and maintain such portion of the Boulder Power Plant until the Operating Agent involved is reinstated under Article 24 (c) hereof or as the result of arbitration or court proceedings. Any hearing held pursuant to Article 24 (b) shall be before the Secretary or his duly authorized representative; testimony given at such hearing shall be under oath administered by any officer of the Department of the Interior authorized to administer oaths; a complete record of such hearing shall be made (including a record of any evidence offered but not received); and a copy of such record shall be furnished to each Operating Agent.

(c) At any time after entry by the Secretary under Article 24 (a) or (b), or after possession taken by the Director becomes the possession by the Secretary under Article 24 (b) hereof, or after entry of an order of termination of this contract and prior to the date of termination fixed therein, the Operating Agent involved shall be reinstated and shall have restored to it all rights which it had under this contract prior to the time of such entry, possession, or order, upon removing, in a manner determined by the Secretary to be adequate, all causes which resulted in such entry, taking possession or order of termination, or upon giving assurances determined by the Secretary to be adequate that such causes will be removed, and upon paying to the United States any and all costs incurred by it by reason of such entry, posession, or order of termination which the Secretary shall determine to be in excess of the cost which would have been incurred in the operation and maintenance of the power plant if there had not been such entry, possession or order of termination. Upon the date of termination fixed in the order of termination, unless the said causes have been removed and such Agent reinstated, this contract shall terminate and be of no further force and effect as to such Agent. Upon any such termination as herein provided, all property of the United States in the possession of such Agent shall be returned to the United States in as good condition as when received, damage not occasioned by the fault of such Agent and reasonable wear excepted.

(d) In consideration of the termination of the Lease, and as a consideration

for the execution of this contract by the Operating Agents, it is hereby agreed that (except by mutual consent or in accordance with the provisions for termination for default contained in this contract) this contract shall not be revocable or terminable, and that suits for injunction or for other appropriate equitable relief or remedies against termination of this contract in a manner other than that provided in this contract may be maintained against the Secretary under Section 9 of the Adjustment Act.

RULES AND REGULATIONS

25. This contract shall be subject to rules and regulations promulgated by the Secretary pursuant to the Adjustment Act; provided, however, that no right of either Operating Agent, or of any allottee, shall be impaired, or obligations of either Operating Agent, or of any allottee, extended, by any such rule or regulation hereafter promulgated, and that opportunity to present their views shall be afforded both Operating Agents, and all other allottees, by the Secretary prior to the promulgation thereof, or any change or modification thereof; *Provided, further, however,* That nothing in this article contained shall be deemed in any way to limit or affect the terms, conditions and other provisions contained in other articles of this contract.

TRANSFER OF INTEREST IN CONTRACT

26. No voluntary transfer of this contract, or of the rights of the Operating Agents, or of either of them, hereunder, shall be made without the written approval of the Secretary; and any successor or assign of the rights of either Operating Agent, whether by voluntary transfer, judicial sale, trustee's sale, or otherwise, shall be subject to all the conditions of the Project Act as modified by the Adjustment Act, and of the Adjustment Act, and also subject to all the provisions and conditions of this contract to the same extent as though such successor or assign were the original Operating Agent hereunder; *Provided,* That the execution of a mortgage or trust deed, or judicial or trustee's sale made thereunder, shall not be deemed a voluntary transfer within the meaning of this article.

DISPUTES AND DISAGREEMENTS

27. (a) All instructions, directions and determinations of the Director, or of the Secretary's duly authorized representative under Article 20 (b) (iii) hereof, including those which call for the exercise of discretion, shall be subject to appeal to the Secretary, with opportunity for the appealing party to present its views, and shall be complied with by the Operating Agent affected unless and until reversed or modified by the Secretary upon such appeal. Such

appeal shall be taken within thirty (30) days after any such instruction, direction, or determination is given or made, and unless such appeal is so taken, such instructions, directions and determinations shall be final and binding as to the Operating Agents, provided that failure to take such appeal shall not affect either Operating Agent's right to proceed under Article 20 (b) (ii) hereof.

(b) All instructions, directions and determinations of the Secretary in accordance with the terms of this contract (whether on appeal from the Director or otherwise) shall be complied with by the Operating Agent affected.

(c) A determination by the Secretary under the provisions of Article 24 (b) hereof on the basis of which an order of termination has been entered by the Secretary pursuant to said Article 24 (b) may be the subject of arbitration proceedings pursuant to Article 27 (d) hereof, or court proceedings for injunctive or declaratory relief against such termination may be maintained against the Secretary in the District Court of the United States for the District of Columbia, with the like right of appeal or review as in other like suits or proceedings in said court. Each of the parties hereto hereby agrees that in any such arbitration or court proceedings the record of the hearing held pursuant to the provisions of Article 24 (b) shall constitute the entire evidence to be submitted in such arbitration or court proceedings; but this agreement shall not preclude independent proof of jurisdictional facts, or the admission of evidence as to relevant facts offered but improperly rejected at said hearing. In any such court proceedings, such relief against such termination as the court determines to be appropriate shall be granted, if the Operating Agent sustains the burden of establishing, on the basis of the evidence submitted in such proceedings in accordance with this Article 27 (c), that such termination is unjustified. In any such arbitration or court proceeding the reasonableness or propriety of any program of integration of operations agreed to by the parties, decided on by arbitrators, or determined by the Secretary or his duly authorized representative, pursuant to Article 20 (b) hereof shall not be questioned. Except as in this Article 27 (c) provided, every instruction, direction or determination of the Secretary (whether on apepal from the Director or otherwise) involving or relating to the interpretation or performance of this contract, or of any amendment or supplement hereto, shall be final and binding as to the Operating Agents and shall not be subject to arbitration proceedings pursuant to Article 27 (d) hereof or to court proceedings. Nothing in this Article 27 shall limit court proceedings against the Secretary, pursuant to the last sentence of Article 24 (d) hereof, for relief against termination of this contract in a manner other than that provided in this contract.

(d) Whenever the parties agree to submit a matter to arbitration, the Operating Agents, or if the matter in dispute affects the right of only one Operating Agent, then such Operating Agent, shall name one arbitrator and

the Secretary shall name one arbitrator, and the two arbitrators thus chosen shall meet as soon as practicable thereafter and shall select a third arbitrator but in the event of their failure to name such third arbitrator within five (5) days after their first meeting, such third arbitrator shall be named by the Chief Justice of the Supreme Court of the United States. The decision of any two of such arbitrators shall be a valid award of the arbitrators, and shall be final and binding as to the parties hereto.

(e) Every instruction, direction and determination of the Director or Secretary (whether on appeal from the Director or otherwise) made pursuant to, or relating to the interpretation or performance of, the provisions of this contract or of any amendment hereof or supplement hereto, shall be final and binding as to all allottees and contractors to the same extent as it may be binding upon the Operating Agents; provided, that with respect to any such instruction, direction or determination which affects the rights of any allottee or contractor under contracts between such allottee or contractor and the United States relating to the Project, such allottee or contractor shall have the right, to the same extent as the Operating Agents, to appeal to the Secretary and to present its views.

Nothing in this Article 27 or elsewhere in this contract contained shall limit or otherwise affect any right that any contractor (including the parties to this contract) has under any other contract heretofore or hereafter executed to the determination of any controversy by arbitration or court proceedings, except that programs of integration of operations shall be agreed upon, decided on or determined pursuant to Article 20 (b) hereof and other applicable provisions of this contract and not otherwise.

So long as it is an Operating Agent under this contract, the City or Edison Company, as an allottee or as an Operating Agent, shall not question the reasonableness or propriety of a program of integration of operations agreed upon, decided on or determined pursuant to Article 20 (b) hereof, and shall not question such limitations as may be imposed by such a program upon the taking of energy by the City or Edison Company as an allottee or contractor for electrical energy; but otherwise no requirement under this contract of compliance with instructions, directions or determinations of the Director or Secretary by such Operating Agent, nor anything in this contract contained, shall preclude either the City or Edison Company, in their respective capacities as allottees or contractors for electrical energy, from making any objection, claim or assertion of right through arbitration or court proceedings which any other allottee might make under similar conditions, it being the intention of the parties that this contract shall define the rights, powers and duties of the Operating Agents, as such, without in any manner, excepting by the provisions of Article 20 hereof, affecting their rights, powers and duties as allottees or contractors for electrical energy.

(f) Neither of the Operating Agents shall be liable in damages, or other-

wise, to the other Operating Agent or to any other allottee or contractor for any damage suffered by reason of any act or thing which under the terms of this contract such Operating Agent is required by the Secretary or the Director to do or perform.

CONTINGENT UPON APPROPRIATIONS

28. This contract is subject to appropriations being made by Congress from time to time of money sufficient to make all payments and to provide for the doing and performance of all things on the part of the United States to be done and performed under the terms hereof, and to there being sufficient moneys available in the Colorado River Dam Fund for such purposes. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient moneys not being so appropriated, or on account of there not being sufficient moneys in the Colorado River Dam Fund for such purposes. Anything herein to the contrary notwithstanding, neither of the Operating Agents shall be required to do any act or thing which would result in incurring any costs hereunder if sufficient appropriations have not been made for the payment of compensation based thereon as herein provided; provided, however, that nothing contained in this article shall preclude the Operating Agents, or either of them, from carrying on any work of operation, maintenance or replacements hereunder, in whole or in part, out of funds provided by them, or either of them, or by other allottees, or any of them, in order to prevent interruption of service because of failure of appropriations, subject to the payment of the cost thereof as compensation, if and when authorized by the Congress, unless previously offset by credits, as elsewhere herein provided.

CONTINGENT ON EXECUTION OF ENERGY CONTRACTS AND ON FINAL EFFECTIVENESS OF ADUSTMENT ACT

29. This contract shall not become effective unless and until contracts for electrical energy conforming to the provisions of the Adjustment Act shall have been made and entered into between the United States and each of the Operating Agents in their capacities as allottees of such energy, and unless and until the Secretary shall have made the findings required by Section 10 of the Adjustment Act, and the said Adjustment Act shall have taken effect for all purposes pursuant to the provisions of Section 10 thereof, but thereupon this contract shall be fully effective and binding upon the parties hereto; provided, however, that the term of each agency created hereby and operation hereunder shall not begin until the time specified in Article 15 (d) hereof. If the Adjustment Act shall not have taken effect for all purposes prior to June 1, 1941, this contract shall be null, void and of no force or effect.

MODIFICATIONS

30. Any modification, extension, or waiver by the Secretary of any of the terms, provisions, or requirements of this contract, for the benefit of either of the Operating Agents, shall not be denied to the other.

AGREEMENT SUBJECT TO COLORADO RIVER COMPACT

31. This contract is made upon the express condition and the express covenant that all rights hereunder shall be subject to and controlled by the Colorado River Compact, approved by Section 13 (a) of the Project Act, and the parties hereto shall observe and be subject to and controlled by said Colorado River Compact in the construction, management and operation of all works provided for herein, and the storage, diversion, delivery, and use of water hereunder.

NOTICES

32. (a) Any notice, demand or request required or authorized by this contract to be given or made to or upon the United States shall be delivered, or mailed postage prepaid, to the Director of Power, United States Bureau of Reclamation, Boulder City, Nevada, except where, by the terms hereof, the same is to be given or made to or upon the Secretary, in which event it shall be delivered, or mailed postage prepaid, to the Secretary, at Washington, D. C.

(b) Any notice, demand or request required or authorized by this contract to be given or made to or upon the City shall be delivered, or mailed postage prepaid, to the Chief Electrical Engineer of the Bureau of Power and Light, Department of Water and Power, Los Angeles, California.

(c) Any notice, demand or request required or authorized by this contract to be given or made to or upon Edison Company shall be delivered, or mailed postage prepaid, to the Chief Engineer, Southern California Edison Company Ltd., Los Angeles, California.

(d) Any notice, demand or request required or authorized by this contract to be given or made to or upon any allottee or contractor, other than the Operating Agents, shall be delivered, or mailed postage prepaid, to such person and at such address as may be designated in a request for notices which shall have been filed by any such allottee or contractor with the Secretary and a copy of which shall have been furnished to the Operating Agents, and, notwithstanding anything elsewhere in this contract contained, any such allottee or contractor shall be entitled to such notices only if he shall have so filed such request and furnished such copy. If any such allottee or contractor shall fail so to file such request or to furnish such copy, the United States or either Operating Agent, at its election, may give or make any notice, demand or request required or authorized by this contract to be given or made upon such

allottee or contractor by delivering the same to any established office of such allottee or contractor, or to any responsible officer of such allottee or contractor, or mailing the same, postage prepaid, to the address of such allottee or contractor last known to the party giving or making such notice, demand or request.

(e) The designation of any person specified in this article or in any such request for notice, or the address of any such person, may be changed at any time by notice given in the same manner as provided in this article for other notices.

PRIORITY OF CLAIMS OF THE UNITED STATES

33. Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured.

USE OF PUBLIC AND RESERVED LANDS OF THE UNITED STATES

34. The use by the Operating Agents is authorized of such public and reserved lands of the United States as may be designated, from time to time, by the Secretary for camp sites, residences for employees, warehouses, and other uses incident to the operation and maintenance of Boulder Power Plant and the making of replacements thereof.

TITLE TO REMAIN IN UNITED STATES

35. The title to Boulder Dam and reservoir, Boulder Power Plant, and incidental works, shall forever remain in the United States.

DEFINITIONS

36. The terms defined in Section 12 of the Adjustment Act, wherever used herein, shall be understood to have the respective meanings stated in said Adjustment Act, unless otherwise clearly indicated by the context.

EFFECT OF WAIVER OF BREACH OF CONTRACT

37. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any provision hereof, or of any other or subsequent breach of any provision hereof.

MEMBER OF CONGRESS CLAUSE

38. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By HAROLD L. ICKES,
Secretary of the Interior.

THE CITY OF LOS ANGELES, acting by and through its Board of Water and Power Commissioners.
By JAMES B. AGNEW, *President.*

[SEAL]

Attest:
(S) JOSEPH L. WILLIAMS, *Secretary.*

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, by the Board of Water and Power Commissioners.
By JAMES B. AGNEW, *President.*

[SEAL]

Attest:
(S) JOSEPH L. WILLIAMS, *Secretary.*

SOUTHERN CALIFORNIA EDISON COMPANY LTD.
By HARRY J. BAUER, *President.*

[SEAL]

Attest:
(S) CLIFTON PETERS, *Secretary.*

Approved as to form:
G. C. LARKIN, *Asst. General Counsel.*
MAY 26, 1941.

Approved as to form and legality
this 23d day of May, 1941.
RAY L. CHESEBRO, *City Attorney.*
By (S) S. B. ROBINSON,
Chief Assistant City Attorney for Water and Power.

[ITEM 74]

BOULDER CANYON PROJECT

EXHIBIT "A" TO AGENCY CONTRACT

SPECIFICATIONS OF PROPERTIES OF THE UNITED STATES TO BE OPERATED, MAINTAINED AND REPLACED BY THE CITY OF LOS ANGELES

DEFINITIONS

PART I—Properties to be Operated by the City.

A. Generating Machinery, Equipment and Facilities in the Nevada Wing.
B. Generating Machinery, Equipment and Facilties in the Arizona Wing.
C. Machinery, Equipment and Facilities in the Central Section.
D. Substations, Switchyards and Transmission Lines.
E. Spare Parts.

PART II—Common Facilities—Properties to be operated by the City which are also necessary for use in connection with the properties to be operated by the Company.

A. Machinery, Equipment and Facilities in the Central Section.

PART III—General.

EXHIBIT "A"

SPECIFICATIONS OF PROPERTIES OF THE UNITED STATES TO BE OPERATED, MAINTAINED AND REPLACED BY THE CITY

Definitions

Wherever the following words occur in this exhibit, they shall have the meanings here given:

(a) The word "Company" means Southern California Edison Company Ltd.
(b) The word "City" means The City of Los Angeles and its Department of Water and Power.
(c) The word "Operate" means operate, maintain and make replacements.

(d) The words "Central Section" mean (in general) all that portion of the power plant building founded in the main upon the dam, and located between the two power-house elevators.

(e) The words "Nevada Wing" mean that portion of the power plant building, exclusive of the central section, located in Nevada.

(f) The words "Arizona Wing" mean that portion of the power plant building, exclusive of the central section, located in Arizona.

(g) The word "joint-use", applied to machinery, equipment, circuits or other facilities, means that the use of such machinery, equipment, circuits or other facilities is required jointly by the Company and the City, or the Company and the United States, or the City and the United States, or the Company, the City and the United States.

PART I

PROPERTIES TO BE OPERATED BY THE CITY

A. *Generating machinery, equipment and facilities in the Nevada Wing.*

1. Generating Units N1, N2, N3, N4, N5 and N6, complete with all incidental and appurtenant equipment and facilities, including among others, the following principal items:

Main turbine shutoff valves and all appurtenances, including by-pass valves, pipe and fittings;

Inlet pipes from main turbine shutoff valves to main turbine scroll cases;

Main turbine shutoff valves and all appurtenances, including by-pass valves, pipe tion therewith;

Draft tubes complete, including discharge tubes from pressure-regulating valves, and draft-tube drainage facilities;

Main generators and exciters, including the generator water-cooling systems, housings, stairways, platforms, railings, gratings, and appurtenances installed in connection therewith and all aluminum railings, battens, curbs, and head molds on the generator housings;

Generator-voltage switchgear, including oil circuit breakers, and disconnecting switches;

Generator-voltage lightning arresters and capacitors;

Current and potential transformers, reactors and housings used on main circuits; all generator-voltage conductors, insulators, and supports therefor, including bare and enclosed buses, bus supports, bare and insulated cable, cable clamps, potheads, and fittings;

Neutral oil circuit breakers, reactors, housings and all other equipment and cable in neutral leads of main generators;

Main control equipment, including unit auxiliaries control boards, generator control and excitation cubicles, annunciator systems, including visual and audible signals but excluding the code call and telephone systems, control circuits, cable and fittings;

Battery distribution boards for main control equipment, oil circuit breakers and unit auxiliaries, including the d.c. emergency lighting system supply and control switches.

Lubricating oil, governor oil, and insulating oil systems directly associated with the above-mentioned machinery, including indicators, thermometers, gages, filters, tanks, pumps, piping, valves, fittings and accessories; including the Nevada oil storage facilities, tanks and oil house located in the Nevada Adit at El. 799.66 together with all related pipe, valves, pumps, purifiers, filters, and fire protection facilities.

All drainage equipment, including appurtenant valves and piping, directly attached to and serving machinery and equipment operated by the City.

2. All power boards and miscellaneous power panels for unit auxiliaries serving generating units N1, N2, N3, N4, N5, and N6 and appurtenant equipment.

3. All tools accessory to generating Units N1, N2, N3, N4, N5, and N6 and appurtenant equipment.

4. All power and control cables and circuits directly serving generating Units N1, N2, N3, N4, N5 and N6 and appurtenant equipment.

5. All chemical and other fire extinguishing equipment installed directly for the protection of equipment associated with generating Units N1, N2, N3, N4, N5 and N6, and equipment operated by the City.

6. All compressed air, and water facilities, directly attached to and serving the machinery and equipment operated by the City.

7. All grounding cables used for the grounding of equipment and appurtenances operated by the City, to the point where the grounding cable connects to the permanent grounding system and enters into the building concrete.

B. *Generating Machinery, Equipment and Facilities in the Arizona Wing.*

1. Generating Units A1 and A2, when installed, complete with all incidental and appurtenant equipment and facilities, including among others, the following principal items:

Main turbine shutoff valves and all appurtenances, including by-pass valves, pipe and fittings;

Inlet pipes from main turbine shutoff valves to main turbine scroll cases;

Main turbines, governors, pressure regulating valves and all machinery in connection therewith;

Draft tubes complete including discharge tubes from pressure regulating valves, and draft tube drainage facilities;

Main generators and exciters, including the generator water-cooling systems, housings, stairways, platforms, railings, gratings, and appurtenances installed in connection therewith, and all aluminum railings, battens, curbs, and head molds on the generator housings;

Generator-voltage switchgear, including oil circuit breakers, and disconnecting switches;

Generator-voltage lightning arresters and capacitors;

Current and potential transformers, reactors and housing used on main circuit; all generator-voltage conductors, insulators, and supports therefor, including bare and enclosed buses, bus supports, bare and insulated cable, cable clamps, potheads, and fittings;

Neutral oil circuit breakers, reactors, housings and all other equipment and cable in neutral leads of main generators;

Main control equipment, including unit auxiliary control boards, generator control and excitation cubicles, annunciator systems, including visual and audible signals, but excluding the code call and telephone systems, control circuits, cable and fittings;

Battery distribution boards for main control equipment, oil circuit breakers and

unit auxiliaries including the d.c. emergency lighting system supply and control switches, serving Units A-1 and A-2.

Lubricating oil, governor oil and insulating oil systems directly associated with the above-mentioned machinery, including indicators, thermometers, gages, filters, tanks, pumps, piping, valves, fittings and accessories;

All drainage equipment, including appurtenant valves and piping directly attached to and serving the machinery and equipment operated by the City.

2. All power boards and miscellaneous power panels for unit auxiliaries serving generating Units A1 and A2 and appurtenant equipment.

3. All tools accessory to generating Units A1 and A2, and appurtenant equipment.

4. All power and control cables and circuits directly serving generating Units A1 and A2 and appurtenant equipment.

5. All chemical and other fire extinguishing equipment installed directly for the protection of equipment associated with generating Units A1 and A2 and operated by the City.

6. All compressed air and water facilities serving the foregoing generating Units A1 and A2.

7. All grounding cables used for the grounding of equipment and appurtenances operated by the City to the point where the grounding cable connects to the permanent grounding system and enters into the building concrete

C. *Machinery, Equipment and Facilities in the Central Section*

1. **8th Floor—Elevations 743.00 and 750 to 748.6**

The main control equipment, including the main control bench board complete with control switches and instruments, appertaining to the operation or control of, or accessory to, generating Units N1, N2, N3, N4, N5, and N6, A1 and A2, or to any of them;

The auxiliary control boards serving any of the aforesaid generating units;

All control cables and circuits and their appurtenances serving any of the aforesaid generating units;

The "master clock" time and frequency control circuits and equipment complete serving any of the aforesaid generating units.

The carrier-current and other telephone terminal equipment located in the telephone room on the Nevada side of the Central Section and connected with the City's privately owned communication system.

The carrier-current telephone circuit extending from the above-mentioned telephone room to the switchyard operated by the City.

2. **7th Floor—Elevation 730.25**

The terminal board facilities and control cables, circuits, and their appurtenances, appertaining to the operation and control of or accessory to generating units N1, N2, N3, N4, N5, N6, A1 and A2.

The "UL" board exclusive of panels 14 and 15.

3. **6th Floor—Elevation 717.67**

All cables, circuits, and their appurtenances located on the 6th floor and serving generating units N1, N2, N3, N4, N5, N6, A1 and A2, or any of them.

4. Other Floors

All control cables, circuits, and their appurtenances wherever located in the Central Section serving generating units N1, N2, N3, N4, N5, N6, A1 and A2.

The 16.5 kv main transfer bus, and power cable circuits complete with supports extending across the power house Central Section.

All chemical and other fire extinguishing equipment installed in the Central Section for the protection of any of the machinery, equipment and associated facilities to be operated by the City.

Any and all other machinery, equipment and facilities not hereinabove specifically mentioned, located in the Central Section and installed for use in connection with the operation of the machinery and equipment herein designated for operation by the City, excepting common facilities mentioned in Part II of Exhibit "B".

D. *Substations, Switchyards and Transmission Lines.*

1. The substations and switchyards at and near Boulder Dam which serve the city and the allottees and contractors, (except for the maintenance and the making of replacements of the 33 kv Portal Substation supplying Boulder City) for whom the City is the designated generating agent, complete with all machinery, equipment and appurtenances, including the following principal items:

All relay and oil houses including relay boards, battery and battery chargers, oil piping to oil circuit breakers and all other appurtenant equipment installed therein and thereon;

The switchyards and the substations, complete with transmission and diverter tower structures, foundations and footings, bare and insulated conductors and cables, insulators, cable clamps, potheads and fittings;

Oil circuit breakers, disconnecting switches, conductors and insulators and supports therefor;

All conduits, cables, fittings and related appurtenances within the fenced areas of such substations and switchyards and fences around the same;

All power supply circuit breakers, switches, control circuits, cables and appurtenant equipment between the power plant building and the switchyards serving the City and the allottees and contractors for whom the City generates energy, including the joint use power supply cables between the power plant building and the City relay house at the switchyard which serves the City;

Fills, surfacing and retaining walls within the fenced areas of the switchyards operated by the City;

Switchyard underground grounding system networks located both in Nevada and Arizona serving equipment and facilities operated by the City to the point of attachment to the permanent grounding system at the power plant building;

The overhead ground wire system known as the lightning diverter system, complete with conductors and fittings, steel towers, foundations and footings.

2. The main transformers, transmission lines and power circuits between Generating Units N1, N2, N3, N4, N5, N6, A1 and A2, and between Banks "X" and "Y" and the above included switchyards and substations, complete with all appurtenant equipment and facilities, including among others, the following items:

Main power transformers complete, including the water-cooling systems, gas apparatus, thermometers, indicators, gages, fittings, and accessories;

Fire protection system piping, buses and insulators;

High voltage equipment on power house roofs consisting of disconnecting switches, lightning arresters, buses and cables, insulators, roof tower footings and appurtenant electrical circuits.

E. *Spare Parts.*

Spare parts, wherever located at the project, designated for the machinery, equipment and apparatus specified in this Exhibit "A" to be operated by the City.

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PART II

COMMON FACILITIES—PROPERTIES TO BE OPERATED BY THE CITY WHICH ARE ALSO NECESSARY FOR USE IN CONNECTION WITH THE PROPERTIES TO BE OPERATED BY THE COMPANY.

A. *Machinery, Equipment and Facilities in the Central Section of the Power House.*

1. Station service generating Unit "NO," and station service generator Unit "AO" until such time as said Unit "AO" shall have been connected to permit its use as an independent source of light and power for the Arizona wing of the power house and the related Arizona project works with control located in the Company's control room as provided in Exhibit "B," complete with all incidental and appurtenant equipment and facilities, including among others, the following principal items:

The turbines, the shutoff valves immediately upstream from the needle valves of each of the station service generating units (not including, however, the station service penstock header nor the laterals immediately upstream from said shutoff valves); generators; exciters; lubricating oil system; control bench board and control apparatus complete with control circuits; and the cables connecting said generators to the 2300 volt switchgear.

2. The 2300 volt "M" switchgear complete with controls and control cables and buses to the potheads of all outgoing feeders.

3. Power board "K" complete with power and control circuits and equipment therefor, and transformer banks serving said board complete, together with power cables serving such transformer banks from the 2300 volt "M" switchgear.

4. The station service auxiliary transformer bank and all related equipment and facilities including power cables connecting same to the 2300 volt "M" switchgear and the City's main 16,500 volt Nevada Wing transfer bus.

5. The 125 and 250 volt station storage batteries, including storage battery control boards and battery charging sets.

6. The clock supply power equipment complete with the "WF" board, except circuits serving machinery operated by the Company.

PART III

GENERAL

For purposes of clarification there follows a description of properties in the power plant and immediate vicinity which are reserved for operation directly by the United States.

1. All of the power plant building.

2. Power plant lighting system from point where 2300 volt feeder cables leave the 2300 volt "M" switchgear and including transformers, low voltage circuits, controls, lighting fixtures, etc., including the d.c. emergency lighting system from point of attachment to emergency throw-over switches.

3. Power plant heating and ventilating facilities except the generator cooling systems.

4. Power plant sanitary facilities.

5. Power plant compressed air system together with piping to the point of attachment to facilities operated by the City or the Company, including motors and load-side cables, appurtenant circuit breakers, current transformers and control circuits.

6. Power plant domestic and fire protection water systems including showers, and lavatory and toilet facilities.

7. All fire protection facilities except those directly attached to, or exclusively provided for, the protection of generating equipment and appurtenances, station power transformer vaults, high voltage transformers and oil storage and handling systems.

8. All elevators and appurtenant equipment.

9. All cranes and hoists including electrical circuits and control in connection therewith.

10. Electrical testing and standardization laboratories, including the high-potential test sets for generator and cable testing and equipment for generator testing.

11. Photographic dark room.

12. Machine shop and pipe shop including all machine tools, transfer cars, tool rooms, etc.

13. The control circuit tunnel between the City switchyard and the power house including cable trays and supports, hoist house complete with hoisting facilities.

14. All lighting, test, communication and code call circuits, exclusive of carrier current circuits.

15. All draft tube bulkhead gates.

16. Bulkhead gate gantry cranes, main transformer transfer car and gasoline tractor.

17. Automatic and manual telephone equipment exclusive of carrier current equipment.

18. All construction materials, equipment, and facilities.

19. The station service penstock header and valves and station service unit laterals to, but exclusive of, the shutoff valves immediately upstream from the needle valves of each of the station service generating units.

20. All dam and penstock lighting and power circuits from, but exclusive of, the 2300 volt "M" switchgear.

21. Station service boards "E" and "F" on the second floor (Elevation 643) of the Central Section, transformer banks serving said boards complete, together with power cables serving such transformer banks from the 2300 volt "M" switchgear.

22. The permanent grounding system, consisting of the grounding mats and connections under the forebay, dam, tailrace and power plant building, the imbedded network throughout the power plant building up to the point of emergence from the building concrete.

23. Roads, fills, and surfacing in the vicinity of the switchyard areas but exclusive of those located within the fenced areas surrounding equipment operated by the City or the Company, and exclusive of access roads to transmission or diverter towers operated by the City or the Company.

24. All other machinery, equipment and facilities not designated in Exhibit A as property to be operated by the City or in Exhibit B as property to be operated by the Company.

[ITEM 75]

BOULDER CANYON PROJECT

EXHIBIT "B" TO AGENCY CONTRACT

SPECIFICATIONS OF PROPERTIES OF THE UNITED STATES TO BE OPERATED, MAINTAINED, AND REPLACED BY THE SOUTHERN CALIFORNIA EDISON COMPANY LTD.

OUTLINE

EXHIBIT "B."

SPECIFICATIONS OF PROPERTIES OF THE UNITED STATES TO BE OPERATED, MAINTAINED, AND REPLACED BY THE COMPANY

Wherever the following words occur in this exhibit, they shall have the meanings here given:

Definitions

(a) The word "Company" means Southern California Edison Company Ltd.

(b) The word "City" means The City of Los Angeles and its Department of Water and Power.

(c) The word "Operate" means operate, maintain, and make replacements.

(d) The words "Central Section" mean (in general) all that portion of the power plant building founded in the main upon the dam, and located between the two powerhouse elevators.

(e) The words "Nevada Wing" mean that portion of the power plant building exclusive of the central section located in Nevada.

(f) The words "Arizona Wing" mean that portion of the power plant building exclusive of the central section located in Arizona.

(g) The word "joint-use", applied to machinery, equipment, circuits, or other facilities, means that the use of such machinery, equipment, circuits, or other facilities is required jointly by the Company and the City, or the Company and the United States, or the City and the United States, or the Company, the City, and the United States.

PART I

PROPERTIES TO BE OPERATED BY THE COMPANY

A. *Generating Machinery, Equipment, and Facilities in the Arizona Wing*

1. Generating units A6, A7, and A8, and, when installed, generating unit A5, complete with all incidental and appurtenant equipment and facilities, including among others, the following principal items:

Main turbine shutoff valves and all appurtenances, including by-pass valves, pipe, and fittings;

Inlet pipes from main turbine shutoff valves to main turbine scroll cases;

Main turbines, governors, pressure-regulating valves, and all machinery in connection therewith;

Draft tubes complete, including discharge tubes from pressure-regulating valves and draft-tube drainage facilities;

Main generators and exciters, including the generator water-cooling systems, housings, stairways, platforms, railings, gratings, and appurtenances installed in connection therewith, and all aluminum railings, battens, curbs, and head molds on generator housings;

Generator-voltage switchgear, including oil circuit breakers, and disconnecting switches;

Generator-voltage lightning arresters and capacitors;

Current and potential transformers and housings used on main circuits; all generator-voltage conductors, insulators, and supports therefor, including bare and enclosed bus supports, bare and insulated cable, cable clamps, potheads, and fittings;

Ground detectors and all other equipment and cable in neutral leads of main generators;

Main control equipment including unit auxiliary control boards, terminal boards, generator control and excitation cubicles, annunciator systems, including visual and audible signals but excluding the code call and telephone systems, control circuits, cable and fittings; Battery distribution boards for main control equipment, oil circuit breakers and unit auxiliaries, including the d.c. emergency lighting system supply and control switches serving units A–5, A–6, A–7 and A–8.

Lubricating oil, governor oil, and insulating oil systems directly associated with the above-mentioned machinery, including indicators, thermometers, gages, filters, tanks, pumps, piping, valves, fittings and accessories; including the Arizona oil storage facilities, tanks and oil house located in the Arizona Adit at E1. 799.62, together with all related pipe, valves, pumps, purifiers, filters and fire protection facilities.

All drainage equipment, including appurtenant valves and piping, directly attached to and serving machinery and equipment operated by the Company.

2. All power boards and miscellaneous power panels for unit auxiliaries serving generating units A5, A6, A7, and A8 and appurtenant equipment.

3. All tools accessory to generating units A5, A6, A7, and A8 and appurtenant equipment.

4. All power and control cables and circuits directly serving generating units A5, A6, A7, and A8 and appurtenant equipment.

5. All chemical and other fire-extinguishing equipment installed directly for the protection of equipment associated with generating units A5, A6, A7, and A8 and equipment operated by the Company.

6. All compressed air, and water facilities, directly attached to and serving the machinery and equipment operated by the Company.

7. All grounding cables used for the grounding of equipment and appurtenances operated by the Company, to the point where the grounding cable connects to the permanent grounding system and enters into the building concrete.

B. *Machinery, Equipment, and Facilities in the Central Section.*

1. 8th Floor—Elevation 743.00 and 750 to 748.6.

The main control equipment, including the main control bench boards complete with control switches and instruments, appertaining to the operation or control of, or accessory to, generating units A5, A6, A7, and A8, or to any of them;

The auxiliary control boards serving any of the aforesaid generating units;

All control cables and circuits and their appurtenances serving any of the aforesaid generating units;

The "master clock" time control circuits and equipment complete serving any of the aforesaid generating units;

The carrier-current and other telephone terminal equipment located in the telephone room on the Nevada side of the Central Section and connected with the Company's privately-owned communication system;

The carrier-current telephone circuit extending from the above-mentioned telephone room to the switchyard operated by the Company.

2. 7th Floor—Elevation 730.25.

The terminal board facilities and all control cables, circuits, and their appurtenances, appertaining to the operation and control of or accessory to generating units A5, A6, A7, and 48;

Panels 14 and 15 of the "UL" board;

3. 6th Floor—Elevation 717.67.

All cables, circuits, and their appurtenances located on the 6th floor and serving generating units A5, A6, A7, and A8, or any of them.

4. Other Floor.

All control cables, circuits, and their appurtenances, wherever located in the Central Section, serving generating units A5, A6, A7, and A8;

All chemical and other fire-extinguishing equipment installed in the Central Section for the protection of any of the machinery, equipment and associated facilities to be operated by the Company;

Any and all other machinery, equipment and facilities, not herein above specifically mentioned, located in the Central Section and installed for use in connection with the operation of the machinery and equipment herein designated for operation by the Company, excepting common facilities mentioned in A of Part II of Exhibit "A".

C. *Substations, Switchyards, and Transmission Lines.*

1. The switchyards at and near Boulder Dam which serve the Company and the allottees and contractors, for whom the Company is designated generating agent, complete with all machinery, equipment, and appurtenances, including the following principal items:

All relay and oil houses including relay boards, battery and battery chargers, oil piping to oil circuit breakers and all other appurtenant equipment installed therein and thereon;

The switchyards complete with transmission tower structures, foundations and footings, bare and insulated conductors and cables, insulators, cable clamps, potheads and fittings;

Oil circuit breakers, disconnecting switches, conductors and insulators and supports therefor;

All conduits, cables, fittings, and related appurtenances within the fenced areas of such switchyards, and fences around the same;

All power supply and control circuits and cables between the power plant building and the switchyards serving the Company and the allottees and contractors for whom the Company generates energy, excluding however, the joint-use power supply cables between the power plant building and the City relay house at the switchyard which serves the City;

Fills, surfacing and retaining walls within the fenced areas of the switchyards operated by the Company;

Switchyard underground grounding system networks located both in Nevada and Arizona serving equipment and facilities operated by the Company, to the point of attachment to the permanent grounding system at the power plant building.

2. The main transformers and transmission lines between generating units A5, A6, A7, and A8 and the above included switchyards, complete with all appurtenant equipment and facilities, including among others, the following items:

Main power transformers complete, including the forced oil-cooling system, gas apparatus, thermometers, indicators, gages, fittings and accessories;

Pumps and heat exchangers;

Fire protection system piping, buses, and insulators;

Petersen coil;

High voltage equipment on powerhouse roof consisting of disconnecting switches, lightning arresters, buses and cables, insulators, roof tower footings and appurtenant electrical circuits;

The transmission tie line between the Company's and the Metropolitan Water District's switchtracks.

D. *Spare Parts.*

1. Spare parts, wherever located at the project, designated for the machinery, equipment, and apparatus specified in this Exhibit "B" to be operated by the Company.

PART II

COMMON FACILITIES—PROPERTIES TO BE OPERATED BY THE COMPANY WHICH ARE ALSO NECESSARY FOR USE IN CONNECTION WITH PROPERTIES TO BE OPERATED BY THE CITY.

A. *Machinery, Equipment, and Facilities in the Central Section of the Powerhouse.*

1. Station-service generating unit "AO", when that generator shall have been connected to permit its operation and use by the Company as an independent source of light and power for the Arizona wing of the powerhouse and the related Arizona project works, such generating unit to include the turbines; the shutoff valves immediately upstream from the needle valves (but exclusive of the laterals from the station-service header to such valves and the station-service headers); generator; exciter; lubricating-oil system; control apparatus; and the circuit and switchgear connecting such generator to the Arizona section of the "M" switchgear and buses; that portion of the "M" switchgear and buses which will serve the Arizona side of the powerhouse; the control board serving such facilities; and such separate batteries, charging sets and controls for same, emergency service transformer banks and other facilities as may be installed for use in connection with the operation of generating unit "AO" and in supplying light and power to the Arizona wing and related Arizona project works.

Such other and additional equipment and facilities as shall hereafter be installed for or in connection with the operation by the Company of Station Service generator "AO".

2. Power control board "L" complete with the power and the control circuits and equipment therefor; the transformer banks serving such board, and the leads from such transformer banks to the load side of the "M" switchgear breakers, excluding however all load-side cables, appurtenant circuit breakers and current transformers serving generating machinery which is to be operated by the City.

3. Clock supply circuits serving the machinery operated by the Company.

PART III

General

For purposes of clarification the description of properties in the power plant and immediate vicinity which are reserved for operation directly by the United States as contained in Part III of ExhibitA shall be understood as also applying to this Exhibit B.

[ITEM 76]

BOULDER CANYON PROJECT

CONTRACT FOR THE SALE OF ELECTRICAL ENERGY

THE UNITED STATES

AND

THE CITY OF LOS ANGELES

MAY 29, 1941

(11r–1334)

1. THIS CONTRACT, made this 29th day of May, 1941, pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat. 1057), designated the Boulder Canyon Project Act (hereinafter referred to as the "Project Act"), and to the

Act of Congress approved July 19, 1940 (54 Stat. 774), designated the Boulder Canyon Project Adjustment Act (hereinafter referred to as the "Adjustment Act"), between THE UNITED STATES OF AMERICA (hereinafter referred to as the "United States"), acting for this purpose by Harold L. Ickes, Secretary of the Interior (hereinafter referred to as the "Secretary"), and THE CITY OF LOS ANGELES, a municipal corporation organized and existing under the laws of the State of California, and its DEPARTMENT OF WATER AND POWER (said Department acting herein in the name of the City, but as principal in its own behalf as well as in behalf of the City; the term "City" as used in this contract being deemed to be both The City of Los Angeles and its Department of Water and Power);

WITNESSETH THAT:

EXPLANATORY RECITALS

2. WHEREAS, pursuant to the provisions of the Project Act, the United States entered into a certain contract designated as "Contract for Lease of Power Privilege", dated April 26, 1930, with severally, the City and Southern California Edison Company Ltd. (hereinafter referred to as "Edison Company") which contract was thereafter amended by two certain contracts between the same parties, dated May 28, 1930, and September 23, 1931, and was also modified by a certain contract between the United States and the City, dated July 6, 1938, and consented to by Edison Company, which Contract for Lease of Power Privilege, dated April 26, 1930, together with said amendatory and modifying contracts, are hereinafter collectively referred to as the "Lease"; and

3. WHEREAS, by the terms of the Adjustment Act it is provided, among other things, that the Secretary is authorized to negotiate for and enter into a contract for the termination of the existing Lease of the Boulder Power Plant, and that the Secretary, in consideration of such termination of the Lease, is authorized to designate the City and Edison Company as the agents of the United States for the operation of the Boulder Power Plant; and

4. WHEREAS, under date of May 29, 1941, the United States and the City and Edison Company (hereinafter collectively referred to as "Operating Agents") have executed a contract designated "Contract for the Operation of Boulder Power Plant", a copy of which said contract is attached hereto, marked "Exhibit 1"; and

5. WHEREAS, under date of May 20, 1941, the Secretary approved the promulgated "General Regulations for Generation and Sale of Power in Accordance with the Boulder Canyon Project Adjustment Act", a copy of which is attached hereto, marked "Exhibit 2"; and

6. WHEREAS, the State of Nevada, the cities of Burbank, Glendale and Pasadena (hereinafter referred to as "the Municipalities") and the City have made a joint request on the United States that the provisions of Article 9 (c)

hereof be incorporated as a part of each of the contracts, under the Adjustment Act, for the sale of electrical energy by the United States to the State of Nevada, the Municipalities and the City, respectively;

7. NOW, THEREFORE, in consideration of the provisions, covenants and conditions herein contained, the parties hereto agree as follows, to wit:

REGULATIONS AND AGENCY CONTRACTS

8. (a) This contract is subject to all the terms and provisions of Exhibit 2 hereof which is hereby made a part hereof as fully and completely as though set out herein at length, and this contract is subject to such other rules and regulations as hereafter may be promulgated by the Secretary pursuant to law and to Article 27 of Exhibit 2 hereof.

(b) The City hereby consents that the United States shall, and the United States agrees that it shall, cause the energy agreed to be delivered hereunder to be generated and delivered in accordance with the provisions of Exhibit 1; and the parties hereto agree that the rights and obligations of the City under this contract shall be controlled by the provisions of Exhibit 1 to the extent that such provisions are applicable to the City as an allottee or contractor for electrical energy; provided, however, that in the event that such Exhibit 1 shall be terminated as to either or both of the Operating Agents therein named, the United States thereafter shall itself generate and deliver the energy agreed by the United States to be generated and delivered through the agent or agents as to which said Exhibit 1 shall have been terminated.

DELIVERY OF ENERGY

9. (a) The United States agrees to deliver at transmission voltage at Boulder Power Plant, and the City agrees to take and/or pay for, electrical energy in accordance with the provisions of Article 8 hereof, for the period from the effective date of this contract to May 31, 1987, inclusive, in accordance with the allocation of energy contained in Exhibit 2.

(b) In addition, if the United States makes available to the City the necessary falling water and machinery and equipment, the City will take and/or pay for the following minimum quantities of energy in addition to the quantities of energy specified in Article 14 (a) hereof:

(i) During the year of operation ending May 31, 1942, five hundred ninety-five million kilowatt-hours (595,000,000 kwh);

(ii) During each year of operation thereafter, until the year of operation ending May 31, 1945, seven hundred million kilowatt-hours (700,000,000 kwh);

Provided, That the City shall not be obligated to take such additional energy in any one month in an amount greater than one-twelfth of the amount of such additional energy which it is obligated to take and/or pay for during that year of operation. The rate to be paid for the use of falling water for the generation of all such addi-

tional energy shall be the rate for secondary energy in force at the time such energy is taken. The City shall be entitled, but not obligated, to take energy at the rate for secondary energy in addition to the quantities above stated, if available to it under the provisions of Exhibit 2.

The obligation stated in this Article 9 (b) to take and/or pay for additional energy shall terminate on May 31, 1945.

(c) From the effective date of this contract and until Section G-3 has been placed in operation, Section G-1 shall be used for the service of the City, the Municipalities, the United States, the State of Nevada and such resale consumers of energy allocated to but not taken by The Metropolitan Water District of Southern California as are now served by Section G-1.

After said Section G-1 has been placed in operation, said Section G-1 shall be used solely for the service of the City and the Municipalities and the United States, and said Section G-3 shall be used solely for the service of the City and the United States, except that the States of Nevada and Arizona shall be entitled to generation of electrical energy by means of said Section G-3 up to but not exceeding a combined demand of 44,000 kilowatts, and such resale consumers shall be entitled to generation of electrical energy by means of said Section G-3 up to but not exceeding a combined demand of 6,000 kilowatts plus such portion of said 44,000 kilowatts as is not in use or required by the States; provided that such resale consumers shall not be entitled to take in excess of 70,000,000 kw-hrs. of electrical energy in any one year of operation.

The fact that energy generated by means of Section G-3 may in fact reach any of said Municipalities, shall not be deemed to be in violation of the foregoing provisions.

The foregoing provisions of this Article 9 (c) relate only to operating conditions, and are not to be construed as an agreement, contemplated by Article 18 of Exhibit 2, relating to or affecting in any way the apportionment of generating charges. Notwithstanding the operating conditions provided for in this Article 9 (c), generating charges for Sections G-1 and G-3 shall be considered as charges for a single section and shall be apportinned in accordance with the provisions of Article 18 of Exhibit 2.

DELIVERY OF WATER FOR GENERATION OF ELECTRICAL ENERGY

10. (a) Subject to:

(i) The statutory requirement that Boulder Dam and the reservoir created thereby shall be used: First, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of perfected rights mentioned in Section 6 of the Project Act; and third, for power; and

(ii) The further statutory requirement that this contract is made upon the express condition and with the express covenant that the rights of the City, as a contractor for electrical energy, to the use of the waters of the Colorado River, or its tributaries, shall be subject to and controlled by the Colorado River Compact;

the United States will deliver water in the quantity, in the manner, and at the times necessary for the generation of the energy to which the City is entitled under this contract, in accordance with the provisions of Article 20 of Exhibit 1 hereof, entitled "Integration of Operations". If Exhibit 1 should be terminated as to the City prior to the termination of this contract, the United States will itself generate and deliver energy, subject to (i) and (ii) above, in the manner required by this contract, in the quantity to which the City is entitled hereunder, and in accordance with the City's load requirements.

(b) The United States reserves the right temporarily to discontinue or reduce the delivery of water for the generation of electrical energy at any time for the purpose of maintenance, repairs and/or replacements, or installation of equipment, at the Project, and for investigations and inspections necessary thereto; provided, however, that the United States shall, except in case of emergency, give to the City reasonable notice in advance of such temporary discontinuance or reduction, and that the United States shall make such inspections and perform such maintenance and repair work, after consultation with the City, at such times and in such manner, consistent with any program of integrated operations established under the provisions of Article 20 of Exhibit 1 hereof, as to cause the least inconvenience to the City, and that the United States shall prosecute such work with diligence, and, without unnecessary delay, resume delivery of water so discontinued or reduced.

(c) Should the delivery of water, for any reason or cause, other than any act or omission of the City, be discontinued or reduced below the amount required for the generation of firm energy in accordance with the provisions of this contract, the total number of hours of such discontinuance or reduction in any year shall be determined by taking the sum of the number of hours during which the delivery of water is totally discontinued, plus the product of the number of hours during which the delivery of water is partially reduced and the percentage of said partial reduction below the actual quantity of water required for generation of firm energy. Total or partial reductions in the delivery of water which do not reduce the power output below the amount required at the time for generation of firm energy under any program of integrated operations established under Article 20 of Exhibit 1 hereof, or, if Exhibit 1 be terminated as to the City, below the amount required at the time for the City's load requirements, will not be considered in determining the total hours of discontinuance in any year. The minimum annual payment specified in Article 14 hereof shall be reduced by the ratio that the total number of hours of such discontinuance bears to eight thousand seven hundred sixty (8,760).

(d) In no event shall any liability accrue against the United States, its officers, agents and/or employees, for any damage, direct or indirect, arising on account of drought, hostile diversion, Act of God, or the public enemy, or other similar cause; nevertheless interruptions in delivery of water occasioned by such causes shall be governed as provided in this Article 10. In the event of shortage

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of electrical energy at Boulder Power Plant due to shortage of water, the available electrical energy shall be prorated among all allottees concerned, on the basis of their respective obligations to take and/or pay for firm energy in the year of operation in which the shortage occurs.

MEASUREMENT OF ENERGY

11. All electrical energy shall be measured at generator voltage. Suitable correction shall be made in the amounts of energy as measured at generator voltage to cover station losses, including (a) step-up transformer losses, (b) a proper proportion of energy used for operation of station auxiliaries and (c) a proper proportion of energy used by the United States for the construction and operation and maintenance of Boulder Dam and appurtenant works, exclusive of Boulder City, as provided in Article 4 (a) of Exhibit 2. The testing of meters and calibration of testing equipment shall be in accordance with Article 19 of Exhibit 1. If said Exhibit should be terminated the same provisions shall apply as nearly as may be. The electrical energy delivered hereunder during any period in which the meters furnished to measure such electrical energy fail to register shall, for billing purposes, be estimated from the best information available.

ENERGY RATES AND GENERATING CHARGES

12. The rates and charges to be paid by the City for electrical energy under this contract shall be in accordance with those specified in Exhibit 2, and in Article 9 (b) hereof. The right of the City to take energy at the rate for secondary energy shall not be impaired by reason of the fact that another allottee has not discharged its obligation to pay for energy at the firm rate.

BILLING AND PAYMENTS

13. (a) The City shall pay monthly for electrical energy and for the generation thereof in accordance with the energy rates and generating charges specified in Exhibit 2. When energy taken in any month is not in excess of one-twelfth (1/12) of the minimum annual obligation to take and/or pay for firm energy, the energy bill for such month shall be computed at the rate for firm energy in effect when such energy was taken on the basis of the actual amount of energy used during such month. All energy used during any month in excess of one-twelfth (1/12) of such minimum annual obligation for firm energy shall be paid for at the rate for secondary energy in effect when such energy was taken; provided, however, that the secondary rate shall not apply to any energy taken during any month unless and until an amount of energy equivalent to one-twelfth (1/12) of such minimum annual obligation for firm energy has been taken for all months, beginning with the month of June immediately pre-

ceding; provided, however, that the bill for energy for the month of May of each year shall not be less than the difference between the minimum annual energy payment, as provided in Article 14 hereof, and the sum of the amounts charged for firm energy during the preceding eleven months, but in no event shall the sum of the amounts charged for energy for any year of operation exceed the product of the minimum quantity of firm energy which the City is obligated to take and/or pay for in such year of operation and the firm energy rate; plus the product of the quantity of energy taken by the City or which the City is obligated to take and/or pay for in such year of operation (whichever is the greater) in excess of its firm energy obligation and the secondary energy rate. In computing the energy bill for each month, a credit will be allowed for generating charges for energy generated by the City (as Operating Agent) for the United States out of the energy reserved for it, exclusive of the energy classed as station losses as provided in Article 4 (a) of Exhibit 2, and energy charges at the firm energy rate for one-half of such energy furnished to the United States. The United States will submit bills to the City by the tenth of each month immediately following the month during which the energy was generated, and payments shall be due on the first day of the month immediately succeeding. If such charges (less proper and applicable credits) are not paid when due an interest charge of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional interest charge of one per centum (1%) of the principal sum unpaid shall be added on the first day of each succeeding calendar month until the amount due, including such interest, is paid in full, but nothing contained in this article shall be construed as in any manner abridging, limiting, or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have.

(b) In accordance with the provisions of Section 4 (b) of the Adjustment Act, in the event payments to the States of Arizona and Nevada, or either of them, under Section 2 (c) of the Adjustment Act, shall be reduced by reason of the collection of taxes mentioned in said Section, adjustments shall be made, from time to time, with each allottee which shall have paid any such taxes, by credits or otherwise, for that proportion of the amount of such reductions which the amount of the payments of such taxes by such allottee bears to the total amount of such taxes collected.

MINIMUM ANNUAL PAYMENTS

14. (a) The minimum quantity of firm energy which the City shall take and/or pay for at firm energy rates in each year of operation under the terms of this contract shall be 36.9439 per centum of all firm energy as defined in Article 3 of Exhibit 2; except as reduced by one-half of the amount of firm energy furnished to the United States out of energy reserved to it as provided in

Article 4 (a) of Exhibit 2 and by 55% of the amounts of firm energy contracted for or taken (whichever is the greater) by others as provided in Article 4 (b) of Exhibit 2. In addition to its minimum annual obligation for firm energy, the City shall also take and/or pay for at secondary energy rates in each year of operation for the period ending May 31, 1945, not less than the quantities of energy specified in Article 9 (b) hereof. The minimum annual energy payment shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article 10 hereof; provided, however, that if the City has used during such year of operation less water than that available to it under any program of integration of operations agreed upon, decided on or determined under Article 20 of Exhibit 1, such non-use of available water shall be considered as an offset in so far as possible against any reduction in the minimum annual payment due to interruptions or curtailment of delivery of water. If it becomes necessary to determine the number of kilowatt hours of energy involved by reason of such non-use of available water, such kilowatt hours shall be computed on the basis of water being converted into electrical energy at the average over-all efficiency attained by the entire Boulder Power Plant during such year of operation.

(b) *Absorption period.*—In order to afford a reasonable time for the City to absorb the energy contracted for, in determining the minimum annual payments for energy charges for firm energy for the two years of operation ending May 31, 1942, and May 31, 1943, the number of kilowatt hours of firm energy which the City is obligated to take and/or pay for in each of said years of operation shall be reduced to the following amounts:

Year of operation ending May 31, 1942.....1,552,659,393 kw-hrs.
Year of operation ending May 31, 1943.....1,566,491,016 kw-hrs.

Provided, That said amounts shall be reduced by one-half of the amount of firm energy furnished to the United States out of energy reserved to it as provided in Article 4 (a) of Exhibit 2 and by 53.5% and 54.25%, respectively, of the amounts of firm energy contracted for or taken (whichever is the greater) by others in each of said years of operation as provided in Article 4 (b) of Exhibit 2; provided, further, that the minimum annual payment for each of said years of operation shall be adjusted because of interruptions or curtailment of the delivery of water as provided in Article 14 (a) hereof. If the quantity of energy taken in either of said years of operation is in excess of the above stated amounts, as so reduced, for such year of operation, such excess shall be paid for at the rate for secondary energy.

CONTINGENT ON FINAL EFFECTIVENESS OF ADJUSTMENT ACT

15. This contract shall not become effective unless and until the Adjustment Act shall have taken effect for all purposes pursuant to the provisions of Sec-

tion 10 thereof, but thereupon this contract shall be fully effective and binding upon the parties hereto as of midnight, Pacific Standard Time, on the last day of the calendar month in which the Adjustment Act shall have become fully effective.

The contract between the United States and Los Angeles Gas and Electric Corporation, dated November 12, 1931, and assigned by said corporation to the City, shall terminate as of such effective date: *Provided, however,* That neither such termination nor anything contained in this contract shall terminate, modify or otherwise affect the relative rights and obligations of the Nevada-California Electric Corporation and the City, as they existed on May 19, 1941, with regard to generation of energy and generating charges in connection with Section G-5, T-5 and C. F. The total generating charges, under the Adjustment Act, in connection with said sections shall be apportioned between said corporation and the City in accordance with the determination of said relative rights. Pending said determination said corporation and the City shall each pay half of such generating charges, as computed under the Adjustment Act and Exhibit 2, but such payments shall be without prejudice to the rights and obligations of either in said determination.

If the Adjustment Act shall not have taken effect for all purposes prior to June 1, 1941, this contract shall be null, void and of no force or effect.

DURATION OF CONTRACT

16. This contract shall remain in effect to and including May 31, 1987, unless sooner terminated as elsewhere herein provided. The City, if this contract has not been terminated prior to said date, shall be entitled to a renewal hereof upon such terms and conditions as may be authorized or required under the then existing laws and regulations, unless the property of the City dependent for its usefulness on a continuation of this contract be purchased or acquired, and the City be compensated for damages to its property, used and useful in the transmission and distribution of such electrical energy and not taken, resulting from the termination of the supply.

NO ENERGY TO BE DELIVERED WITHOUT PAYMENT

17. Unless an extension of time for payment has been first obtained from the Secretary, in writing, no energy shall be generated for, or delivered to, the City if it shall be in arrears for more than twelve (12) months in the payment of any charge due to the United States hereunder.

CONTRACT MAY BE TERMINATED IN CASE OF DEFAULT IN PAYMENT

18. If the City shall be in arrears for more than twelve (12) months in the payment of any charge, including interest, due to the United States hereunder,

and shall not have obtained an extension of time from the Secretary for the payment thereof, or, if such extension be obtained, has not made such payment within the time as extended, then the Secretary shall have the right forthwith upon written notice to the City to terminate this contract and dispose of the energy herein allocated to the City as he may see fit; provided, that such disposition shall be subject to the condition that the City shall have the right at any time within four (4) years from date of the first of the defaults for which the contract is terminated, to become reinstated hereunder by payment to the United States of all arrearages including interest, if any, together with any and all loss incurred by the United States by reason of such termination. Nothing contained in this contract shall relieve the City from the obligation to make the United States whole, for the period of this contract, for all loss and/or damage occasioned by the failure of the City to take and/or pay for energy as provided in this contract.

ACCESS TO BOOKS AND RECORDS

19. The Secretary or his duly authorized representatives shall have free access at all reasonable times to the books and records of the City relating to the transmission and disposal of electrical energy hereunder, with the right at any time during office hours to make copies of or from the same.

USE OF PUBLIC AND RESERVED LANDS OF THE UNITED STATES

20. The use is authorized of such public and reserved lands of the United States as may be necessary or convenient for the construction, operation and maintenance of main transmission lines, to transmit electrical energy generated at Boulder Dam, together with the use of such public and reserved lands of the United States as may be designated by the Secretary, from time to time, for camp sites, residences for employees, warehouses and other uses incident to the operation and maintenance of such main transmission lines.

MODIFICATIONS

21. Any modification, extension or waiver by the Secretary, subsequent to May 31, 1941, of any of the terms, provisions or requirements of any regulation or contract, promulgated or executed subsequent to May 19, 1941, for the benefit of any one or more of the allottees shall not be denied to the City.

DISPUTES AND DISAGREEMENTS

22. Disputes or disagreements between the United States and the City as to the interpretation or performance of the provisions of this contract shall be determined either by arbitration or court proceedings; provided that in any such

arbitration or court proceedings neither the reasonableness nor propriety of a program of integration of operations agreed upon, decided on or determined pursuant to Article 20 of Exhibit 1 nor such limitations as may be imposed by any such program upon the taking of energy by the City under this contract shall be questioned. If in any such arbitration or court proceedings or otherwise any sum or amount paid by the City on the demand or bill of the United States under this contract shall be held not to have been due or owing, payment shall not be deemed to have been voluntary, and such sum or amount shall be refunded. Whenever a controversy arises out of this contract, and the disputants agree to submit the matter to arbitration the Secretary shall name one arbitrator and the City shall name one arbitrator, and the two arbitrators thus chosen shall select a third arbitrator, but in the event of their failure to name such third arbitrator within five days after their first meeting, such third arbitrator shall be named by the Chief Justice of the Supreme Court of the United States. The decision of any two of such arbitrators shall be a valid award of the arbitrators, and shall be final and binding as to the parties hereto.

PRIORITY CLAIMS OF THE UNITED STATES

23. Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured.

TITLE TO REMAIN IN UNITED STATES

24. The title to Boulder Dam and reservoir, Boulder Power Plant, and incidental works, including generating machinery and equipment, shall forever remain in the United States.

EFFECT OF WAIVER OF BREACH OF CONTRACT

25. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any provision hereof, or of any other or subsequent breach of any provision hereof.

TRANSFER OF INTEREST IN CONTRACT

26. No voluntary transfer of this contract, or of the rights of the City hereunder, shall be made without the written approval of the Secretary; and any successor or assigns of the rights of the City, whether by voluntary transfer, judicial sale, trustee's sale, or otherwise, shall be subject to all the conditions of the Project Act as modified by the Adjustment Act, and of the Adjustment Act, and also subject to all the provisions and conditions of this contract to the same extent as though such successor or assign were the original contractor hereunder; provided, that the execution of a mortgage or trust deed, or judicial or trustee's

sale made thereunder, shall not be deemed a voluntary transfer within the meaning of this Article.

TRANSMISSION

27. The City shall continue to transmit over its main transmission line constructed for carrying Boulder Canyon energy all such energy allocated to, and used by, the City of Burbank, the City of Glendale, and the City of Pasadena, severally, in accordance with contract between the City and each of said municipalities, made pursuant to Section 5 (d) of the Project Act, as said contracts now exist or as they may be hereafter modified or amended.

NOTICES

28. (a) Any notice, demand or request required or authorized by this contract to be given or made to or upon the United States shall be delivered, or mailed postage prepaid, to the Director of Power, United States Bureau of Reclamation, Boulder City, Nevada, except where, by the terms hereof, the same is to be given or made to or upon the Secretary, in which event it shall be delivered, or mailed postage prepaid, to the Secretary, at Washington, D. C.

(b) Any notice, demand or request required or authorized by this contract to be given or made to or upon the City shall be delivered, or mailed postage prepaid, to the Chief Electrical Engineer and General Manager of the Bureau of Power and Light, Department of Water and Power, Los Angeles, California.

(c) The designation of any person specified in this article or in any such request for notice, or the address of any such person, may be changed at any time by notice given in the same manner as provided in this article for other notices.

CONTRACT CONTINGENT UPON APPROPRIATIONS

29. This contract is subject to appropriations being made by Congress from time to time of money sufficient to make all payments and to provide for the doing and performance of all things on the part of the United States to be done and performed under the terms hereof, and to there being sufficient money available in the Colorado River Dam fund for such purposes. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient money not being so appropriated, or on account of there not being sufficient money in the Colorado River Dam fund for such purposes.

OFFICIALS NOT TO BENEFIT

30. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise

herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By HAROLD L. ICKES,
Secretary of the Interior.

THE CITY OF LOS ANGELES, acting by and through its Board of Water and Power Commissioners.
By JAMES B. AGNEW, *President.*

Attest:
(Signed) JOSEPH L. WILLIAMS, *Secretary.*

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, by the Board of Water and Power Commissioners.
By JAMES B. AGNEW, *President.*

Attest:
(Signed) JOSEPH L. WILLIAMS, *Secretary.*

Approved as to form and legality
this 25th day of May, 1941.
RAY L. CHESEBRO, *City Attorney.*
By (S) S. B. ROBINSON,
Chief Assistant City Attorney for Water and Power

[ITEM 77]

BOULDER CANYON PROJECT

CONTRACT FOR THE SALE OF ELECTRICAL ENERGY

THE UNITED STATES

AND

SOUTHERN CALIFORNIA EDISON COMPANY LTD.

MAY 29, 1941

(11r–1335)

1. THIS CONTRACT, made this 29th day of May, 1941, pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat. 1057), designated the Boulder Canyon Project Act (hereinafter referred to as the "Project Act"), and to the Act of Congress approved July 19, 1940 (54 Stat. 774), designated the Boulder

Canyon Project Adjustment Act (hereinafter referred to as the "Adjustment Act"), between THE UNITED STATES OF AMERICA (hereinafter referred to as the "United States"), acting for this purpose by Harold L. Ickes, Secretary of the Interior (hereinafter referred to as the "Secretary"), and SOUTHERN CALIFORNIA EDISON COMPANY LTD., a corporation organized and existing under the laws of the State of California (hereinafter referred to as "Edison Company");

WITNESSETH THAT:

EXPLANATORY RECITALS

2. WHEREAS, pursuant to the provisions of the Project Act, the United States entered into a certain contract designated as "Contract for Lease of Power Privilege", dated April 26, 1930, with severally, Edison Company and The City of Los Angeles and its Department of Water and Power (hereinafter collectively referred to as "the City"), which contract was thereafter amended by two certain contracts between the same parties, dated May 28, 1930, and September 23, 1931, and was also modified by a certain contract between the United States and the City, dated July 6, 1938, and consented to by Edison Company, which Contract for Lease of Power Privilege, dated April 26, 1930, together with said amendatory and modifying contracts, are hereinafter collectively referred to as the "Lease"; and

3. WHEREAS, by the terms of the Adjustment Act it is provided, among other things, that the Secretary is authorized to negotiate for and enter into a contract for the termination of the existing Lease of the Boulder Power Plant, and that the Secretary, in consideration of such termination of the Lease, is authorized to designate the City and Edison Company as the agents of the United States for the operation of the Boulder Power Plant; and

4. WHEREAS, under date of May 29, 1941, the United States and the City and Edison Company (hereinafter collectively referred to as "Operating Agents") have executed a contract designated "Contract for the Operation of Boulder Power Plant", a copy of which said contract is attached hereto, marked "Exhibit 1"; and

5. WHEREAS, under date of May 20, 1941, the Secretary approved and promulgated "General Regulations for Generation and Sale of Power in Accordance with the Boulder Canyon Project Adjustment Act," a copy of which is attached hereto, marked "Exhibit 2";

6. NOW, THEREFORE, in consideration of the provisions, covenants and conditions herein contained, the parties hereto agree as follows, to wit:

REGULATIONS AND AGENCY CONTRACTS

7. (a) This contract is subject to all the terms and provisions of Exhibit 2 hereof which is hereby made a part hereof as fully and completely as though

set out herein at length, and this contract is subject to such other rules and regulations as hereafter may be promulgated by the Secretary pursuant to law and to Article 27 of Exhibit 2 hereof.

(b) Edison Company hereby consents that the United States shall, and the United States agrees that it shall, cause the energy agreed to be delivered hereunder to be generated and delivered in accordance with the provisions of Exhibit 1; and the parties hereto agree that the rights and obligations of Edison Company under this contract shall by controlled by the provisions of Exhibit 1 to the extent that such provisions are applicable to Edison Company as an allottee or contractor for electrical energy; provided, however, that in the event that such Exhibit 1 shall be terminated as to either or both of the Operating Agents therein named, the United States thereafter shall itself generate and deliver the energy agreed by the United States to be generated and delivered through the agent or agents as to which said Exhibit 1 shall have been terminated.

DELIVERY OF ENERGY

8. (a) The United States agrees to deliver at transmission voltage at Boulder Power Plant, and Edison Company agrees to take and/or pay for, electrical energy in accordance with the provisions of Article 7 hereof, for the period from the effective date of this contract to May 31, 1987, inclusive, in accordance with the allocation of energy contained in Exhibit 2.

(b) Sections G-4 and G-6 and T-4 and T-6, described in Exhibit 2, shall be used solely for the service of Edison Company and the United States, subject to Article 15 of Exhibit 1 and Article 20 of Exhibit 2.

DELIVERY OF WATER FOR GENERATION OF ELECTRICAL ENERGY

9. (a) Subject to:

(i) the statutory requirement that Boulder Dam and the reservoir created thereby shall be used: First, for river regulation, improvement of navigation and flood control; second, for irrigation and domestic uses and satisfaction of perfected rights mentioned in Section 6 of the Project Act; and third, for power; and

(ii) the further statutory requirement that this contract is made upon the express condition and with the express covenant that the rights of Edison Company, as a contractor for electrical energy, to the use of the waters of the Colorado River, or its tributaries, shall be subject to and controlled by the Colorado River Compact;

the United States will deliver water in the quantity, in the manner, and at the times necessary for the generation of the energy to which Edison Company is entitled under this contract, in accordance with the provisions of Article 20 of Exhibit 1 hereof, entitled "Integration of Operations." If Exhibit 1 should be terminated as to Edison Company prior to the termination of this contract, the United States will itself generate and deliver energy, subject to (i) and (ii)

above, in the manner required by this contract, in the quantity to which Edison Company is entitled hereunder, and in accordance with Edison Company's load requirements.

(b) The United States reserves the right temporarily to discontinue or reduce the delivery of water for the generation of electrical energy at any time for the purpose of maintenance, repairs and/or replacements, or installation of equipment, at the Project, and for investigations and inspections necessary thereto; provided, however, that the United States shall, except in case of emergency, give to Edison Company reasonable notice in advance of such temporary discontinuance or reduction, and that the United States shall make such inspections and perform such maintenance and repair work, after consultation with Edison Company, at such times and in such manner, consistent with any program of integrated operations established under the provisions of Article 20 of Exhibit 1 hereof, as to cause the least inconvenience to Edison Company, and that the United States shall prosecute such work with diligence, and, without unnecessary delay, resume delivery of water so discontinued or reduced.

(c) Should the delivery of water, for any reason or cause, other than any act or omission of Edison Company, be discontinued or reduced below the amount required for the generation of firm energy in accordance with the provisions of this contract, the total number of hours of such discontinuance or reduction in any year shall be determined by taking the sum of the number of hours during which the delivery of water is totally discontinued, plus the product of the number of hours during which the delivery of water is partially reduced and the percentage of said partial reduction below the actual quantity of water required for generation of firm energy. Total or partial reductions in the delivery of water which do not reduce the power output below the amount required at the time for generation of firm energy under any program of integrated operations established under Article 20 of Exhibit 1 hereof, or, if Exhibit 1 be terminated as to Edison Company, below the amount required at the time for Edison Company's load requirements, will not be considered in determining the total hours of discontinuance in any year. The minimum annual payment specified in Article 13 hereof shall be reduced by the ratio that the total number of hours of such discontinuance bears to eight thousand seven hundred sixty (8,760).

(d) In no event shall any liability accrue against the United States, its officers, agents and/or employees, for any damage, direct or indirect, arising on account of drought, hostile diversion, Act of God, or the public enemy, or other similar cause; nevertheless interruptions in delivery of water occasioned by such causes shall be governed as provided in this Article 9. In the event of shortage of electrical energy at Boulder Power Plant due to shortage of water, the available electrical energy shall be prorated among all allottees concerned, on the basis of their respective obligations to take and/or pay for firm energy in the year of operation in which the shortage occurs.

MEASUREMENT OF ENERGY

10. All electrical energy shall be measured at generator voltage. Suitable correction shall be made in the amounts of energy as measured at generator voltage to cover station losses, including (a) step-up transformer losses, (b) a proper proportion of energy used for operation of station auxiliaries and (c) a proper proportion of energy used by the United States for the construction and operation and maintenance of Boulder Dam and appurtenant works, exclusive of Boulder City, as provided in Article 4 (a) of Exhibit 2. The testing of meters and calibration of testing equipment shall be in accordance with Article 19 of Exhibit 1. If said exhibit should be terminated the same provisions shall apply as nearly as may be. The electrical energy delivered hereunder during any period in which the meters furnished to measure such electrical energy fail to register shall, for billing purposes, be estimated from the best information available.

ENERGY RATES AND GENERATING CHARGES

11. The rates and charges to be paid by Edison Company for electrical energy under this contract shall be in accordance with those specified in Exhibit 2. The right of Edison Company to take energy at the rate for secondary energy shall not be impaired by reason of the fact that another allottee has not discharged its obligation to pay for energy at the firm rate.

BILLING AND PAYMENTS

12. (a) Edison Company shall pay monthly for electrical energy and for the generation thereof in accordance with the energy rates and generating charges specified in Exhibit 2. When energy taken in any month is not in excess of one-twelfth (1/12) of the minimum annual obligation to take and/or pay for firm energy, the energy bill for such month shall be computed at the rate for firm energy in effect when such energy was taken on the basis of the actual amount of energy used during such month. All energy used during any month in excess of one-twelfth (1/12) of such minimum annual obligation for firm energy shall be paid for at the rate for secondary energy in effect when such energy was taken; provided, however, that the secondary rate shall not apply to any energy taken during any month unless and until an amount of energy equivalent to one-twelfth (1/12) of such minimum annual obligation for firm energy has been taken for all months, beginning with the month of June immediately preceding; provided, however, that the bill for energy for the month of May of each year shall not be less than the difference between the minimum annual energy payment, as provided in Article 13 hereof, and the sum of the amounts charged for firm energy during the preceding eleven months, but in no event shall the sum of the amounts charged for energy for any year of operation exceed the product of the minimum quantity of firm

energy which Edison Company is obligated to take and/or pay for in such year of operation and the firm energy rate; plus the product of the quantity of energy taken by Edison Company in such year of operation in excess of its firm energy obligation and the secondary energy rate. In computing the energy bill for each month, a credit will be allowed for generating charges for energy generated by Edison Company (as Operating Agent) for the United States out of the energy reserved for it, exclusive of the energy classed as station losses as provided in Article 4 (a) of Exhibit 2, and energy charges at the firm energy rate for one-half of such energy furnished to the United States. The United States will submit bills to Edison Company by the tenth of each month immediately following the month during which the energy was generated, and payments shall be due on the first day of the month immediately succeeding. If such charges (less proper and applicable credits) are not paid when due an interest charge of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional interest charge of one per centum (1%) of the principal sum unpaid shall be added on the first day of each succeeding calendar month until the amount due, including such interest, is paid in full, but nothing contained in this article shall be construed as in any manner abridging, limiting, or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have.

(b) In accordance with the provisions of Section 4 (b) of the Adjustment Act, in the event payments to the States of Arizona and Nevada, or either of them, under Section 2 (c) of the Adjustment Act, shall be reduced by reason of the collection of taxes mentioned in said section, adjustments shall be made, from time to time, with each allottee which shall have paid any such taxes, by credits or otherwise, for that proportion of the amount of such reductions which the amount of the payments of such taxes by such allottee bears to the total amount of such taxes collected.

MINIMUM ANNUAL PAYMENTS

13. (a) The minimum quantity of firm energy which Edison Company shall take and/or pay for at firm energy rates in each year of operation under the terms of this contract shall be 21.1510 per centum of all firm energy as defined in Article 3 of Exhibit 2; except as reduced by one-half of the amount of firm energy furnished to the United States out of energy reserved to it as provided in Article 4 (a) of Exhibit 2 and by 40% of the amounts of firm energy contracted for or taken (whichever is the greater) by others as provided in Article 4 (b) of Exhibit 2. The minimum annual energy payment shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article 9 hereof; provided, however, that if Edison Company has used during such year of operation less water than that available to it under

any program of integration of operations agreed upon, decided on or determined under Article 20 of Exhibit 1, such non-use of available water shall be considered as an offset in so far as possible against any reduction in the minimum annual payment due to interruptions or curtailment of delivery of water. If it becomes necessary to determine the number of kilowatt hours of energy involved by reason of such non-use of available water, such kilowatt hours shall be computed on the basis of water being converted into electrical energy at the average over-all efficiency attained by the entire Boulder Power Plant during such year of operation.

(b) *Absorption period.*—In order to afford a reasonable time for Edison Company to absorb the energy contracted for, in determining the minimum annual payments for energy charges for firm energy for the two years of operation ending May 31, 1942, and May 31, 1943, the number of kilowatt hours of firm energy which Edison Company is obligated to taken and/or pay for in each of said years of operation shall be reduced to the following amounts:

Year of operation ending May 31, 1942.....635,898,893 kw-hrs.
Year of operation ending May 31, 1943.....770,588,038 kw-hrs.

Provided, That said amounts shall be reduced by one-half of the amount of firm energy furnished to the United States out of energy reserved to it as provided in Article 4 (a) of Exhibit 2 and by 28% and 34%, respectively, of the amounts of firm energy contracted for or taken (whichever is the greater) by others in each of said years of operation as provided in Article 4 (b) of Exhibit 2; provided, further, that the minimum annual payment for each of said years of operation shall be adjusted because of interruptions or curtailment of the delivery of water as provided in Article 13 (a) hereof. If the quantity of energy taken in either of said years of operation is in excess of the above stated amounts, as so reduced, for such year of operation, such excess shall be paid for at the rate for secondary energy.

CONTINGENT ON FINAL EFFECTIVENESS OF ADJUSTMENT ACT

14. This contract shall not become effective unless and until the Adjustment Act shall have taken effect for all purposes pursuant to the provisions of Section 10 thereof, but thereupon this contract shall be fully effective and binding upon the parties hereto as of midnight, Pacific Standard Time, on the last day of the calendar month in which the Adjustment Act shall have become fully effective.

If the Adjustment Act shall not have taken effect for all purposes prior to June 1, 1941, this contract shall be null, void and of no force or effect.

DURATION OF CONTRACT

15. This contract shall remain in effect to and including May 31, 1987, unless sooner terminated as elsewhere herein provided. Edison Company, if this

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contract has not been terminated prior to said date, shall be entitled to a renewal hereof upon such terms and conditions as may be authorized or required under the then existing laws and regulations, unless the property of Edison Company dependent for its usefulness on a continuation of this contract be purchased or acquired, and Edison Company be compensated for damages to its property, used and useful in the transmission and distribution of such electrical energy and not taken, resulting from the termination of the supply.

NO ENERGY TO BE DELIVERED WITHOUT PAYMENT

16. Unless an extension of time for payment has been first obtained from the Secretary in writing, no energy shall be generated for, or delivered to, Edison Company if it shall be in arrears for more than twelve (12) months in the payment of any charge due to the United States hereunder.

CONTRACT MAY BE TERMINATED IN CASE OF DEFAULT IN PAYMENT

17. If Edison Company shall be in arrears for more than twelve (12) months in the payment of any charge, including interest, due to the United States hereunder, and shall not have obtained an extension of time from the Secretary for the payment thereof, or, if such extension be obtained, has not made such payment within the time as extended, then the Secretary shall have the right forthwith upon written notice to Edison Company to terminate this contract and dispose of the energy herein allocated to Edison Company as he may see fit; provided, that such disposition shall be subject to the condition that Edison Company shall have the right at any time within four (4) years from date of the first of the defaults for which the contract is terminated, to become reinstated hereunder by payment to the United States of all arrearages including interest, if any, together with any and all loss incurred by the United States by reason of such termination. Nothing contained in this contract shall relieve Edison Company from the obligation to make the United States whole, for the period of this contract, for all loss and/or damage occasioned by the failure of Edison Company to take and/or pay for energy as provided in this contract.

ACCESS TO BOOKS AND RECORDS

18. The Secretary or his duly authorized representatives shall have free access at all reasonable times to the books and records of Edison Company relating to the transmission and disposal of electrical energy hereunder, with the right at any time during office hours to make copies of or from the same.

USE OF PUBLIC AND RESERVED LANDS OF THE UNITED STATES

19. The use is authorized of such public and reserved lands of the United States as may be necessary or convenient for the construction, operation and

maintenance of main transmission lines, to transmit electrical energy generated at Boulder Dam, together with the use of such public and reserved lands of the United States as may be designated by the Secretary, from time to time, for camp sites, residences for employees, warehouses and other uses incident to the operation and maintenance of such main transmission lines.

MODIFICATIONS

20. Any modification, extension or waiver by the Secretary, subsequent to May 31, 1941, of any of the terms, provisions or requirements of any regulation or contract, promulgated or executed subsequent to May 19, 1941, for the benefit of any one or more of the allottees shall not be denied to Edison Company.

DISPUTES AND DISAGREEMENTS

21. Disputes or disagreements between the United States and Edison Company as to the interpretation or performance of the provisions of this contract shall be determined either by arbitration or court proceedings; provided that in any such arbitration or court proceedings neither the reasonableness or propriety of a program of integration of operations agreed upon, decided on or determined pursuant to Article 20 of Exhibit 1 nor such limitations as may be imposed by any such program upon the taking of energy by Edison Company under this contract shall be questioned. If in any such arbitration or court proceedings or otherwise any sum or amount paid by Edison Company on the demand or bill of the United States under this contract shall be held not to have been due or owing, payment shall not be deemed to have been voluntary, and such sum or amount shall be refunded. Whenever a controversy arises out of this contract, and the disputants agree to submit the matter to arbitration the Secretary shall name one arbitrator and Edison Company shall name one arbitrator, and the two arbitrators thus chosen shall select a third arbitrator, but in the event of their failure to name such third arbitrator within five days after their first meeting, such third arbitrator shall be named by the Chief Justice of the Supreme Court of the United States. The decision of any two of such arbitrators shall be a valid award of the arbitrators, and shall be final and binding as to the parties hereto.

PRIORITY OF CLAIMS OF THE UNITED STATES

22. Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured.

TITLE TO REMAIN IN UNITED STATES

23. The title to Boulder Dam and reservoir, Boulder Power Plant, and incidental works, including generating machinery and equipment, shall forever remain in the United States.

EFFECT OF WAIVER OF BREACH OF CONTRACT

24. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any provision hereof, or of any other or subsequent breach of any provision hereof.

TRANSFER OF INTEREST IN CONTRACT

25. No voluntary transfer of this contract, or of the rights of Edison Company hereunder, shall be made without the written approval of the Secretary; and any successor or assign of the rights of Edison Company, whether by voluntary transfer, judicial sale, trustee's sale, or otherwise, shall be subject to all the conditions of the Project Act as modified by the Adjustment Act, and of the Adjustment Act, and also subject to all the provisions and conditions of this contract to the same extent as though such successor or assign were the original contractor hereunder; provided, that the execution of a mortgage or trust deed, or judicial or trustee's sale made thereunder, shall not be deemed a voluntary transfer within the meaning of this Article.

NOTICES

26. (a) Any notice, demand or request required or authorized by this contract to be given or made to or upon the United States shall be delivered, or mailed postage prepaid, to the Director of Power, United States Bureau of Reclamation, Boulder City, Nevada, except where, by the terms hereof, the same is to be given or made to or upon the Secretary, in which event it shall be delivered, or mailed postage prepaid, to the Secretary, at Washington, D. C.

(b) Any notice, demand or request required or authorized by this contract to be given or made to or upon Edison Company shall be delivered, or mailed postage prepaid, to the Chief Engineer, Southern California Edison Company Ltd., Los Angeles, California.

(c) The designation of any person specified in this article or in any such request for notice, or the address of any such person, may be changed at any time by notice given in the same manner as provided in this article for other notices.

CONTRACT CONTINGENT UPON APPROPRIATIONS

27. This contract is subject to appropriations being made by Congress from time to time of money sufficient to make all payments and to provide for the doing and performance of all things on the part of the United States to be done and performed under the terms hereof, and to there being sufficient moneys available in the Colorado River Dam fund for such purposes. No liability shall accrue against the United States, its officers, agents or employees, by reason of

sufficient moneys not being so appropriated, or on account of there not being sufficient moneys in the Colorado River Dam fund for such purposes.

OFFICIALS NOT TO BENEFIT

28. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made wih a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By HAROLD L. ICKES,
Secretary of the Interior.

SOUTHERN CALIFORNIA EDISON COMPANY LTD.
By HARRY J. BAUER, *President.*

[SEAL]

Attest:
(Signed) CLIFTON PETERS, *Secretary.*

Approved as to form May 26, 1941.
(Signed) G. C. LARKIN,
Asst. General Counsel.

[ITEM 78]

BOULDER CANYON PROJECT

CONTRACT FOR THE SALE OF ELECTRICAL ENERGY

THE UNITED STATES

AND

THE MERTOPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MAY 29, 1941

(I1r–1336)

1. THIS CONTRACT, made this 29th day of May, 1941, pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), and acts amendatory thereof

or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat. 1057), designated the Boulder Canyon Project Act (hereinafter referred to as the "Project Act"), and to the Act of Congress approved July 19, 1940 (54 Stat. 774), designated the Boulder Canyon Project Adjustment Act (hereinafter referred to as the "Adjustment Act"), between THE UNITED STATES OF AMERICA (hereinafter referred to as the "United States"), acting for this purpose by Harold L. Ickes, Secretary of the Interior hereinafter referred to as the "Secretary"), and THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, a public corporation organized and existing under the laws of the State of California (hereinafter referred to as the "District"):

WITNESSETH THAT:

EXPLANATORY RECITALS

2. WHEREAS, pursuant to the provisions of the Project Act, the United States entered into a certain contract designated as "Contract for Lease of Power Privilege", dated April 26, 1930, with severally, The City of Los Angeles and its Department of Water and Power (hereinafter collectively referred to as the "City") and Southern California Edison Company Ltd. (hereinafter referred to as "Edison Company") which contract was thereafter amended by two certain contracts between the same parties, dated May 28, 1930, and September 23, 1931, and was also modified by a certain contract between the United States and the City, dated July 6, 1938, and consented to by Edison Company, which Contract for Lease of Power Privilege, dated April 26, 1930, together with said amendatory and modifying contracts, are hereinafter collectively referred to as the "Lease"; and

3. WHEREAS, under date of April 26, 1930, the parties hereto entered into a certain contract for electrical energy, which contract was amended under date of May 31, 1930, and was also modified by a certain contract between the parties hereto, dated July 13, 1938, such contract as so amended and modified being hereinafter collectively referred to as the "Original Contract"; and

4. WHEREAS, by the terms of the Adjustment Act it is provided, among other things, that the Secretary is authorized to negotiate for and enter into a contract for the termination of the existing Lease of the Boulder Power Plant, and that the Secretary, in consideration of such termination of the Lease, is authorized to designate the City and Edison Company as the agents of the United States for the operation of Boulder Power Plant; and

5. WHEREAS, under date of May 29, 1941, the United States and the City and Edison Company (hereinafter collectively referred to as "Operating Agents") have executed a contract designated "Contract for the Operation of Boulder Power Plant", a copy of which said contract is attached hereto, marked "Exhibit 1"; and

6. WHEREAS, under date of May 20, 1941, the Secretary approved and promulgated "General Regulations for Generation and Sale of Power in Accordance with the Boulder Canyon Project Adjustment Act", a copy of which is attached hereto, marked "Exhibit 2";

7. NOW, THEREFORE, in consideration of the provisions, covenants and conditions herein contained, the parties hereto agree as follows, to wit:

REGULATIONS AND AGENCY CONTRACTS

8. (a) This contract is subject to all the terms and provisions of Exhibit 2 hereof which is hereby made a part hereof as fully and completely as though set out herein at length, and this contract is subject to such other rules and regulations as hereafter may be promulgated by the Secretary pursuant to law and to Article 27 of Exhibit 2 hereof.

(b) The District hereby consents that the United States shall, and the United States agrees that it shall, cause the energy agreed to be delivered hereunder to be generated and delivered in accordance with the provisions of Exhibit 1; and the parties hereto agree that the rights and obligations of the District under this contract shall be controlled by the provisions of Exhibit 1 to the extent that such provisions are applicable to the District as an allottee or contractor for electrical energy; provided, however, that in the event that such Exhibit 1 shall be terminated as to either or both of the Operating Agents therein named, the United States thereafter shall itself generate and deliver the energy agreed by the United States to be generated and delivered through the agent or agents as to which said Exhibit 1 shall have been terminated.

DELIVERY OF ENERGY

9. (a) The United States agrees to deliver at transmision voltage at Boulder Power Plant, and the District agrees to take and/or pay for, electrical energy in accordance with the provisions of Article 8 hereof, for the period from the effective date of this contract to May 31, 1987, inclusive, in accordance with the allocation of energy contained in Exhibit 2; provided, that the United States shall have the right to interchange energy from its hydroelectric plants on the Colorado River below Boulder Dam with energy allocated to the District and generated at Boulder Power Plant, and to deliver energy at the point of connection of such other hydroelectric plants to the District's transmission line in lieu of delivering energy at Boulder Power Plant, in so far as such interchange can be effected without interfering with service to, or increasing the charges against, the District and without impairing or extending the rights or obligations, respectively of other allottees. The District agrees that the United States may so interchange energy in so far as practicable, as a means of effecting integration of operations as between Boulder Power Plant and other projects on the Colorado River owned

and operated by the United States at which power is or may be developed, as the primary step in any program of integration of operations agreed upon, decided or determined pursuant to Article 20 (b) of Exhibit 1. For the purpose of effectuating such interchange, the United States shall have the right to connect, without cost to the District, such other hydroelectric plants with the transmission system of the District, and the right to use, without cost to the United States, any power transmission capacity of said transmission system which for the time being may be in excess of the District's requirements; provided, that the use of such excess capacity at all times shall be subject to reasonable operating conditions fixed by the District. The District shall have the opportunity to present its views to the Secretary or his representative on the electrical characteristics of the generating and transforming equipment to be used to supply energy from power plants other than Boulder Power Plant under this Article 9(a) before proposals for the furnishing of the same are invited. The design and specifications of any connections with the District's transmission system shall conform to specifications approved by the General Manager and Chief Engineer of the District.

(b) Section G-2 and T-2, described in Exhibit 2, shall be used solely for the service of the District, subject to Article 15 of Exhibit 1 and Article 20 of Exhibit 2. If, after giving the District an oportunity to present its views, the Secretary shall find it to be necessary or economically advantageous to provide service to resale consumers of energy allocated to but unused by the District, by means of equipment herein designated for service to the District, or any additions thereto necessary for such service to the District and to such resale consumers, the District hereby consents to such use of said equipment, and to such additions thereto. The District further agrees to pay the generating charges in the manner prescribed by Exhibit 2, attributable to equipment so used for the service of such resale consumers, less payments therefor made to the United States by such resale consumers.

DELIVERY OF WATER FOR GENERATION OF ELECTRICAL ENERGY

10. (a) Subject to:

(i) the statutory requirement that Boulder Dam and the reservoir created thereby shall be used: First, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of perfected rights mentioned in Section 6 of the Project Act; and third, for power; and

(ii) the further statutory requirement that this contract is made upon the express condition and with the express covenant that the rights of the District, as a contractor for electrical energy, to the use of the waters of the Colorado River, or its tributaries, shall be subject to and controlled by the Colorado River Compact;

the United States will deliver to the District energy in the manner required by this contract, in the quantity to which the District is entitled hereunder, and in accordance with the District's load requirements.

(b) The United States reserves the right temporarily to discontinue or reduce the delivery of water for the generation of electrical energy at any time for the purpose of maintenance, repairs and/or replacements, or installation of equipment, at the project, and for investigations and inspections necessary thereto; provided, however, that the United States shall, except in case of emergency, give to the District reasonable notice in advance of such temporary discontinuance or reduction, and that the United States shall make such inspections and perform such maintenance and repair work, after consultation with the District, at such times and in such manner as to cause the least inconvenience to the District and that the United States shall prosecute such work with diligence, and, without unnecessary delay, resume delivery of water so discontinued or reduced.

(c) Should the delivery of water, for any reason or cause, other than any act or omission of the District, be discontinued or (after application of the agreement for interchange of energy as hereinabove set out) be reduced below the amount required for the generation of firm energy in accordance with the provisions of this contract, the total number of hours of such discontinuance or reduction in any year shall be determined by taking the sum of the number of hours during which the delivery of water is totally discontinued, plus the product of the number of hours during which the delivery of water is partially reduced and the percentage of said partial reduction below the actual quantity of water required for generation of firm energy. Total or partial reductions in the delivery of water which do not reduce the power output below the amount required at the time for generation of firm energy will not be considered in determining the total hours of discontinuance in any year. The minimum annual payment specified in Article 14 hereof shall be reduced by the ratio that the total number of hours of such discontinuance bears to eight thousand seven hundred sixty (8,760).

(d) In no event shall any liability accrue against the United States, its officers, agents and/or employees, for any damage, direct or indirect, arising on account of drought, hostile diversion, Act of God, or the public enemy, or other similar cause, nevertheless interruptions in delivery of water occasioned by such causes shall be governed as provided in this Article 10. In the event of shortage of electrical energy at Boulder Power Plant due to shortage of water, the available electrical energy shall be prorated among all allottees concerned, on the basis of their respective obligations to take and/or pay for firm energy in the year of operation in which the shortage occurs.

MEASUREMENT OF ENERGY

11. All electrical energy delivered at Boulder Power Plant shall be measured at generator voltage. Suitable correction shall be made in the amounts of energy as measured at generator voltage to cover step-up transformer losses. The electrical energy delivered hereunder during any period in which the meters furnished to measure such electrical energy fail to register shall, for billing purposes,

be estimated from the best information available. Energy delivered to the District at points other than Boulder Dam shall be measured by meters furnished and maintained by the United States. The testing of meters and calibration of testing equipment shall be in accordance with Article 19 of Exhibit 1. If said exhibit should be terminated the same provisions shall apply as nearly as may be.

ENERGY RATES AND GENERATING CHARGES

12. The rates and charges to be paid by the District for electrical energy under this contract shall be in accordance with those specified in Exhibit 2. The right of the District to take energy at the rate for secondary energy shall not be impaired by reason of the fact that another allottee has not discharged its obligation to pay for energy at the firm rate.

BILLING AND PAYMENTS

13. (a) The District shall pay monthly for electrical energy and for the generation thereof in accordance with the energy rates and generating charges specified in Exhibit 2. When energy taken in any month is not in excess of one-twelfth (1/12) of the minimum annual obligation, as determined under subdivisions (a) and (b) of Article 14 hereof, the energy bill for such month shall be computed at the rate for firm energy in effect when such energy was taken on the basis of the actual amount of energy used during such month. All energy used during any month in excess of one-twelfth (1/12) of such minimum annual obligation for firm energy shall be paid for at the rate for secondary energy in effect when such energy was taken; provided, however, that the secondary rate shall not apply to any energy taken during any month unless and until an amount of energy equivalent to one-twelfth (1/12) of such minimum annual obligation for firm energy has been taken for all months, beginning with the month of June immediately preceding; provided, however, that the bill for energy for the month of May of each year shall not be less than the difference between the minimum annual energy payment, as provided in Article 14 hereof, and the sum of the amounts charged for firm energy during the preceding eleven months, but in no event shall the sum of the amounts charged for energy for any year of operation exceed the product of the minimum quantity of firm energy which the District is obligated to take and/or pay for in such year of operation and the firm energy rate; plus the product of the quantity of energy taken by the District in such year of operation in excess of its firm energy obligation and the secondary energy rate. The United States will submit bills to the District by the tenth of each month immediately following the month during which the energy was generated, and payments shall be due on the first day of the month immediately succeeding. If such charges (less proper and applicable credits) are

not paid when due an interest charge of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional interest charge of one per centum (1%) of the principal sum unpaid shall be added on the first day of each succeeding calendar month until the amount due, including such interest, is paid in full, but nothing contained in this article shall be construed as in any manner abridging, limiting, or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have.

(b) In accordance with the provisions of Section 4 (b) of the Adjustment Act, in the event payments to the States of Arizona and Nevada, or either of them, under Section 2 (c) of the Adjustment Act, shall be reduced by reason of the collection of taxes mentioned in said section, adjustments shall be made, from time to time, with each allottee which shall have paid any such taxes, by credits or otherwise, for that proportion of the amount of such reductions which the amount of the payments of such taxes by such allottee bears to the total amount of such taxes collected.

(c) During any year beginning June 1, the District shall not use any secondary energy nor any unused State energy until it has first used subsequent to June 1 next preceding an amount of firm energy equivalent to one-twelfth of the amount of firm energy it is obligated to take and/or pay for annually, as determined under subdivisions (a) and (b) of Article 14 hereof, multiplied by the number of months elapsed since June 1 next preceding.

MINIMUM ANNUAL PAYMENTS

14. (a) The minimum quantity of firm energy which the District shall take and/or pay for at firm energy rates in each year of operation under the terms of this contract shall be 35.2517 per centum of all firm energy as defined in Article 3 of Exhibit 2. The minimum annual energy payment shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article 10 hereof.

(b) *Absorption Period:* In order to afford a reasonable time for the District to absorb the energy contracted for, in determining the minimum annual payments for energy charges for firm energy for the year of operation ending May 31, 1942, the number of kilowatt-hours of firm energy which the District is obligated to take and/or pay for in the year of operation ending May 31, 1942, shall be 1,495,380,088 kilowatt-hours. If the quantity of energy taken in said year of operation is in excess of the above stated amount, such excess shall be paid for at the rate for secondary energy.

(c) (i) Notwithstanding the provisions of subdivisions (a) and (b) of this article, but subject to the provisions of subdivisions (d) and (e) hereof, the minimum quantity of firm energy which the District shall be obligated to pay for whether used or not in each year of operation during the period commencing

on the effective date of this contract, and ending May 31, 1955, shall be as follows:

For the Year of Operation Ending	Kilowatt-hours	For the Year of Operation Ending	Kilowatt-hours
May 31, 1942	690,600,000	May 31, 1949	1,098,800,000
May 31, 1943	749,600,000	May 31, 1950	1,155,700,000
May 31, 1944	808,500,000	May 31, 1951	1,212,800,000
May 31, 1945	867,200,000	May 31, 1952	1,269,300,000
May 31, 1946	925,200,000	May 31, 1953	1,325,700,000
May 31, 1947	893,100,000	May 31, 1954	1,382,400,000
May 31, 1948	1,041,200,000	May 31, 1955	1,435,200,000

(ii) During the period ending May 31, 1955, energy taken by the District in any one year of operation not exceeding the amount which the District would have been obligated to take and/or pay for during such year except for the provisions of this subdivision (c) of Article 14, shall be paid for at the rate for firm energy then in effect. During said period ending May 31, 1955, energy taken by the District for its own use in any one year of operation in excess of the annual obligation during such year to take and/or pay for firm energy as stated in subdivisions (a) and (b) of this Article 14 (other than firm energy allocated to the States of Arizona and Nevada, or either of them, and not in use by them, or either of them), shall be paid for at the rate for secondary energy then in effect; provided, however, that the right of the District to firm and secondary energy as elsewhere herein provided shall not be enlarged or diminished in any respect hereby.

(d) (i) There shall be computed by the Secretary as of the end of each calendar month from and including the month of June, 1941, to and including the month of May, 1955, an amount, hereinafter referred to as the monthly deficiency, determined as follows: From one-twelfth (1/12) of the minimum annual amount which the District would have been obligated to pay as firm energy charges during each year of operation except for the provisions of subdivision (c) of this Article 14, there shall be deducted the sum of the following amounts, to wit: (1st) the amount of money, if any, actually paid by the District to the United States hereunder as firm energy charges during said month, (2nd) the proceeds, if any, of the disposition pursuant to Article 4 (b) of Exhibit 2 of unused firm energy allocated to the District, and (3rd) such other credits, if any (other than for interest payments on monthly deficiencies, as hereinafter provided, payments for generating charges, and payments, if any, for secondary energy), as may accrue to the District during said month. The remainder, if any, shall constitute the monthly deficiency for said month; provided, that if the total of the sums under clauses (1st), (2nd) and (3rd) of this paragraph for any month exceeds one-twelfth (1/12) of the minimum annual amount which the District would have been obligated to pay as energy charges during that year of operation except for the provisions of subdivision (c) of this article, such excess shall be credited on the total of the District's monthly deficiencies remaining unpaid.

(ii) The District shall pay to the United States, on the first day of each month, interest upon the aggregate of the monthly deficiencies remaining unpaid on the first day of the preceding month.

(iii) The aggregate of such monthly deficiencies remaining unpaid on June 1, 1955, shall constitute the principal of an obligation which the District hereby agrees to pay to the United States. The principal of such obligation, and interest on the unpaid balance thereof, shall be paid to the United States by the District in substantially equal monthly installments (including therein both principal and interest) payable on July 1, 1955, and on the first day of each month thereafter until and including June 1, 1987. The District at its option, may pay any part of the principal of said obligation on the due date of any interest payable hereunder; such prepayments shall be applied toward the retirement of the principal of the said obligation in the manner specified by the District.

(iv) The provisions of subdivisions (c) and (d) of this article are intended to result in payment by the District to the United States on account of firm energy charges of an amount not less than the minimum amount of money which the District would have been obligated to pay therefor except for the provisions of subdivision (c) hereof, plus interest on all amounts deferred. If the District shall fail to pay when due any payment as provided for in subdivisions (c) and (d) of this article, an interest charge of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional interest charge of one per centum (1%) of the principal sum unpaid shall be added on the first day of each succeeding calendar month until the amount due, including such interest of one per centum (1%), is paid in full.

(e) The District agrees to make payments to the United States each year (in addition to its payments for generating charges and payments made under subdivision (d) of this article) at such times and in such amounts (not exceeding the amount which the District would be obligated to pay in such year except for subdivision (c) of this article) as the Secretary, taking into account the payments made under subdivision (c) hereof, may find to be necessary, under the Project Act or the Adjustment Act as now in force or under legislation hereafter enacted amendatory thereof or supplementary thereto, in order to (1) cover the District's proportionate part, on the basis of subdivisions (a) and (b) of this article, of items (a), (b), (c), and (d) of Article 6 of Exhibit 2, and (2) leave unaffected by subdivision (c) of this article the rates or charges payable by any other allottee of Boulder Dam energy, and (3) leave unaffected the amounts which, but for subdivision (c) of this article, would be payable for such year, out of the Colorado River Dam fund, other than amounts covered into the Treasury under the provisions of subdivision (e) of Article 6 of Exhibit 2. Payments made by the District pursuant to this subdivision of Article 14 shall be credited on the total of the District's monthly deficiencies remaining unpaid, as provided in subdivision (d) (i) of this article.

CONTINGENT ON FINAL EFFECTIVENESS OF ADJUSTMENT ACT

15. This contract shall not become effective unless and until the Adjustment Act shall have taken effect for all purposes pursuant to the provisions of Section 10 thereof, but thereupon this contract shall be fully effective and binding upon the parties hereto as of midnight, Pacific Standard Time, on the last day of the calendar month in which the Adjustment Act shall have become fully effective. The original contract between the parties hereto shall terminate as of such effective date.

If the Adjustment Act shall not have taken effect for all purposes prior to June 1, 1941, this contract shall be null, void and of no force or effect.

DURATION OF CONTRACT

16. This contract shall remain in effect to and including May 31, 1987, unless sooner terminated as elsewhere herein provided. The District, if this contract has not been terminated prior to said date, shall be entitled to a renewal hereof upon such terms and conditions as may be authorized or required under the then existing laws and regulations, unless the property of the District dependent for its usefulness on a continuation of this contract be purchased or acquired, and the District be compensated for damages to its property, used and useful in the transmission and distribution of such electrical energy and not taken, resulting from the termination of the supply.

NO ENERGY TO BE DELIVERED WITHOUT PAYMENT

17. Unless an extension of time for payment has first been obtained from the Secretary in writing, no energy shall be generated for, or delivered to, the District if it shall be in arrears for more than twelve (12) minths in the payment of any charge due to the United States hereunder.

CONTRACT MAY BE TERMINATED IN CASE OF DEFAULT IN PAYMENT

18. If the District shall be in arrears for more than twelve (12) months in the payment of any charge, including interest, due to the United States hereunder, and shall not have obtained an extension of time from the Secretary for the payment thereof, or, if such extension be obtained, has not made such payment within the time as extended, then the Secretary shall have the right forthwith upon written notice to the District to terminate this contract and dispose of the energy herein allocated to the District as he may see fit; provided, he shall first give opportunity to the City and Edison Company to contract on equal and uniform terms and conditions, to be prescribed by the Secretary, for one-half of such energy, together with such portion of the remainder as the other shall not elect to take; and provided further, that such disposition shall be subject to

the condition that the District shall have the right at any time within four (4) years from date of the first of the defaults for which the contract is terminated, to become reinstated hereunder by payment to the United States of all arrearages including interest, if any, together with any and all loss incurred by the United States by reason of such termination. Nothing contained in this contract shall relieve the District from the obligation to make the United States whole, for the period of this contract, for all loss and/or damage occasioned by the failure of the District to take and/or pay for energy as provided in this contract.

ACCESS TO BOOKS AND RECORDS

19. The Secretary or his duly authorized representatives shall have free access at all reasonable times to the books and records of the District relating to the transmission and disposal of electrical energy hereunder, with the right at any time during office hours to make copies of or from the same.

USE OF PUBLIC AND RESERVED LANDS OF THE UNITED STATES

20. The use is authorized of such public and reserved lands of the United States as may be necessary or convenient for the construction, operation and maintenance of main transmission lines, to transmit electrical energy generated at Boulder Dam, together with the use of such public and reserved lands of the United States as may be designated by the Secretary, from time to time, for camp sites, residences for employees, warehouses and other uses incident to the operation and maintenance of such main transmission lines.

MODIFICATIONS

21. Any modification, extension or waiver by the Secretary, subsequent to May 31, 1941, of any of the terms, provisions or requirements of any regulation or contract, promulgated or executed subsequent to May 19, 1941, for the benefit of any one or more of the allottees, shall not be denied to the District.

DISPUTES AND DISAGREEMENTS

22. Disputes or disagreements between the United States and the District as to the interpretation or performance of the provisions of this contract shall be determined either by arbitration or court proceedings. If in any such arbitration or court proceedings or otherwise any sum or amount paid by the District on the demand or bill of the United States under this contract shall be held not to have been due or owing, payment shall not be deemed to have been voluntary, and such sum or amount shall be refunded. Whenever a controversy arises out of this contract, and the disputants agree to submit the matter to arbitration the Secretary shall name one arbitrator and the District shall name one arbitrator,

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and the two arbitrators thus chosen shall select a third arbitrator, but in the event of their failure to name such third arbitrator within five days after their first meeting, such third arbitrator shall be named by the Chief Justice of the Supreme Court of the United States. The decision of any two of such arbitrators shall be a valid award of the arbitrators, and shall be final and binding as to the parties hereto.

PRIORITY CLAIMS OF THE UNITED STATES

23. Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured.

TITLE TO REMAIN IN UNITED STATES

24. The title to Boulder Dam and reservoir, Boulder Power Plant, and incidental works, including generating machinery and equipment, shall forever remain in the United States.

EFFECT OF WAIVER OF BREACH OF CONTRACT

25. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any provision hereof, or of any other or subsequent breach of any provision hereof.

TRANSFER OF INTEREST IN CONTRACT

26. No voluntary transfer of this contract, or of the rights of the District hereunder, shall be made without the written approval of the Secretary; and any successor or assign of the rights of the District, whether by voluntary transfer, judicial sale, trustee's sale, or otherwise, shall be subject to all the conditions of the Project Act as modified by the Adjustment Act, and of the Adjustment Act, and also subject to all the provisions and conditions of this contract to the same extent as though such successor or assign were the original contractor hereunder; provided, that the execution of a mortgage or trust deed, or judicial or trustee's sale made thereunder, shall not be deemed a voluntary transfer within the meaning of this Article.

NOTICES

27. (a) Any notice, demand or request required or authorized by this contract to be given or made to or upon the United States shall be delivered, or mailed postage prepaid, to the Director of Power, United States Bureau of Reclamation, Boulder City Nevada, except where, by the terms hereof, the same is to be given or made to or upon the Secretary, in which event it shall be delivered, or mailed postage prepaid, to the Secretary, at Washington, D. C.

(b) Any notice, demand or request required or authorized by this contract to be given or made to or upon the District shall be delivered, or mailed postage prepaid, to the General Manager and Chief Engineer of The Metropolitan Water District of Southern California, Los Angeles, California.

(c) The designation of any person specified in this article or in any such request for notice, or the address of any such person, may be changed at any time by notice given in the same manner as provided in this article for other notices.

CONTRACT CONTINGENT UPON APPROPRIATIONS

28. This contract is subject to appropriations being made by Congress from time to time of money sufficient to make all payments and to provide for the doing and performance of all things on the part of the United States to be done and performed under the terms hereof, and to there being sufficient money available in the Colorado River Dam fund for such purposes. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient money not being so appropriated, or on account of there not being sufficient money in the Colorado River Dam fund for such purposes.

OFFICIALS NOT TO BENEFIT

29. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By HAROLD L. ICKES,
Secretary of the Interior.

[SEAL]

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA,
By F. E. WEYMOUTH,
General Manager
and Chief Engineer.

[SEAL]

Attest:
(S) A. L. GRAM, *Executive Secretary.*

Approved as to form:
(S) JAMES H. HOWARD, *General Counsel.*

[ITEM 79]

BOULDER CANYON PROJECT

CONTRACT FOR THE SALE OF ELECTRICAL ENERGY

THE UNITED STATES

AND

THE CITY OF PASADENA

MAY 29, 1941

(11r–1337)

1. THIS CONTRACT, made this 29th day of May, 1941, pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), and acts amendatory

thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat. 1057), designated the Boulder Canyon Project Act (hereinafter referred to as the "Project Act"), and to the Act of Congress approved July 19, 1940 (54 Stat. 774), designated the Boulder Canyon Project Adjustment Act (hereinafter referred to as the "Adjustment Act"), between THE UNITED STATES OF AMERICA (hereinafter referred to as the "United States"), acting for this purpose by Harold L. Ickes, Secretary of the Interior (hereinafter referred to as the "Secretary"), and the CITY OF PASADENA, a municipal corporation organized and existing under the laws of the State of California (hereinafter referred to as the "Municipality");

WITNESSETH THAT:

EXPLANATORY RECITALS

2. WHEREAS, pursuant to the provisions of the Project Act, the United States entered into a certain contract designated as "Contract for Lease of Power Privilege," dated April 26, 1930, with severally, The City of Los Angeles and its Department of Water and Power and Southern California Edison Company Ltd. (hereinafter referred to as the "City" and "Edison Company," respectively) which contract was thereafter amended by two certain contracts between the same parties, dated May 28, 1930, and September 23, 1931, and was also modified by a certain contract between the United States and the City, dated July 6, 1938, and consented to by Edison Company, which Contract for Lease of Power Privilege, dated April 26, 1930, together with said amendatory and modifying contracts, are hereinafter collectively referred to as the "Lease," and under date of September 29, 1931, the parties hereto entered into a certain contract for electrical energy, which contract was amended under date of October 30, 1934, such contract as so amended and modified being hereinafter collectively referred to as the "Original Contract;" and

3. WHEREAS, by the terms of the Adjustment Act it is provided, among other things, that the Secretary is authorized to negotiate for and enter into a contract for the termination of the existing Lease of the Boulder Power Plant, and that the Secretary, in consideration of such termination of the Lease, is authorized to designate the City and Edison Company as the agents of the United States for the operation of the Boulder Power Plant; and

4. WHEREAS, under date of May 29, 1941, the United States and the City and Edison Company (hereinafter collectively referred to as "Operating Agents") have executed a contract designated "Contract for the Operation of Boulder Power Plant," a copy of which said contract is attached hereto, marked "Exhibit 1;" and

5. WHEREAS, under date of May 20, 1941, the Secretary approved and

promulgated "General Regulations for Generation and Sale of Power in Accordance with the Boulder Canyon Project Adjustment Act," a copy of which is attached hereto, marked "Exhibit 2;" and

6. WHEREAS, the State of Nevada, the cities of Burbank, Glendale and Pasadena (hereinafter referred to as "the Municipalities") and the City have made a joint request on the United States that the provisions of Article 9 (b) hereof be incorporated as a part of each of the contracts, under the Adjustment Act, for the sale of electrical energy by the United States to the State of Nevada, the Municipalities and the City, respectively;

7. NOW, THEREFORE, in consideration of the provisions, covenants and conditions herein contained, the parties hereto agree as follows, to wit:

REGULATIONS AND AGENCY CONTRACT

8. (a) This contract is subject to all the terms and provisions of Exhibit 2 hereof which is hereby made a part hereof as fully and completely as though set out herein at length, and this contract is subject to such other rules and regulations as hereafter may be promulgated by the Secretary pursuant to law and to Article 27 of Exhibit 2 hereof.

(b) The Municipality hereby consents that the United States shall, and the United States agrees that it shall, cause the energy agreed to be delivered hereunder to be generated and delivered in accordance with the provisions of Exhibit 1; and the parties hereto agree that the rights and obligations of the Municipality under this contract shall be controlled by the provisions of Exhibit 1 to the extent that such provisions are applicable to the Municipality as an allottee or contractor for electrical energy; provided, however, that in the event that such Exhibit 1 shall be terminated as to either or both of the Operating Agents therein named, the United States thereafter shall itself generate and deliver the energy agreed by the United States to be generated and delivered through the agent or agents as to which said Exhibit 1 shall have been terminated.

DELIVERY OF ENERGY

9. (a) The United States agrees to deliver at transmission voltage at Boulder Power Plant, and the Municipality agrees to take and/or pay for, electrical energy in accordance with the provisions of Article 8 hereof, for the period from the effective date of this contract to May 31, 1987, inclusive, in accordance with the allocation of energy contained in Exhibit 2.

(b) From the effective date of this contract and until Section G-3 has been placed in operation, Section G-1 shall be used for the service of the City, the Municipalities, the United States, the State of Nevada and such resale consumers of energy allocated to but not taken by The Metropolitan Water District of Southern California as are now served by Section G-1.

After said Section G-3 has been placed in operation, said Section G-1 shall be used solely for the service of the City and the Municipalities and the United States, and said Section G-3 shall be used solely for the service of the City and the United States, except that the States of Nevada and Arizona shall be entitled to generation of electrical energy by means of said Section G-3 up to but not exceeding a combined demand of 44,000 kilowatts, and such resale consumers shall be entitled to generation of electrical energy by means of said Section G-3 up to but not exceeding a combined demand of 6,000 kilowatts plus such portion of said 44,000 kilowatts as is not in use or required by the States; provided, that such resale consumers shall not be entitled to take in excess of 70,000,000 kilowatt hours of electrical energy in any one year of operation.

The fact that energy generated by means of Section G-3 may in fact reach any of said Municipalities, shall not be deemed to be in violation of the foregoing provisions.

The foregoing provisions of this Article 9 (b) relate only to operating conditions, and are not to be construed as an agreement, contemplated by Article 18 of Exhibit 2, relating to or affecting in any way the apportionment of generating charges. Notwithstanding the operating conditions provided for in this Article 9 (b), generating charges for Sections G-1 and G-3 shall be considered as charges for a single section and shall be apportioned in accordance with the provisions of Article 18 of Exhibit 2.

DELIVERY OF WATER FOR GENERATION OF ELECTRICAL ENERGY

10. (a) Subject to:

(i) the statutory requirement that Boulder Dam and the reservoir created thereby shall be used; First, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of perfected rights mentioned in Section 6 of the Project Act; and third, for power; and

(ii) the further statutory requirement that this contract is made upon the express condition and with the express covenant that the rights of the Municipality, as a contractor for electrical energy, to the use of the waters of the Colorado River, or its tributaries, shall be subject to and controlled by the Colorado River Compact;

the United States will deliver to the Municipality energy in the manner required by this contract, in the quantity to which the Municipality is entitled hereunder, and in accordance with the Municipality's load requirements.

(b) The United States reserves the right temporarily to discontinue or reduce the delivery of water for the generation of electrical energy at any time for the purpose of maintenance, repairs and/or replacements, or installation of equipment, at the Project, and for investigations and inspections necessary thereto; provided, however, that the United States shall, except in case of emergency, give to the Municipality reasonable notice in advance of such temporary discontinuance or reduction, and that the United States shall make

such inspections and perform such maintenance and repair work, after consultation with the Municipality, at such times and in such manner as to cause the least inconvenience to the Municipality, and that the United States shall prosecute such work with diligence, and, without unnecessary delay, resume delivery of water so discontinued or reduced.

(c) Should the delivery of water, for any reason or cause, other than any act or omission of the Municipality, be discontinued or reduced below the amount required for the generation of firm energy in accordance with the provisions of this contract, the total number of hours of such discontinuance or reduction in any year shall be determined by taking the sum of the number of hours during which the delivery of water is totally discontinued, plus the product of the number of hours during which the delivery of water is partially reduced and the percentage of said partial reduction below the actual quantity of water required for generation of firm energy. Total or partial reductions in the delivery of water which do not reduce the power output below the amount required at the time for generation of firm energy will not be considered in determining the total hours of discontinuance in any year. The minimum annual payment specified in Article 14 hereof shall be reduced by the ratio that the total number of hours of such discontinuance bears to eight thousand seven hundred sixty (8,760).

(d) In no event shall any liability accrue against the United States, its officers, agents and/or employees, for any damage, direct or indirect, arising on account of drought, hostile diversion, Act of God, or the public enemy, or other similar cause; nevertheless interruptions in delivery of water occasioned by such causes shall be governed as provided in this Article 10. In the event of shortage of electrical energy at Boulder Power Plant due to shortage of water, the available electrical energy shall be prorated among all allottees concerned, on the basis of their respective obligations to take and/or pay for firm energy in the year of operation in which the shortage occurs.

MEASUREMENT OF ENERGY

11. All electrical energy shall be measured at generator voltage in combination with energy delivered to the City. Suitable correction shall be made in the amounts of energy as measured at generator voltage to cover step-up transformer losses. Suitable metering equipment, satisfactory to the Secretary, for measuring the energy actually delivered to the Municipality shall be provided, as agreed to by the City and the Municipality, and suitable correction shall be made to cover transmission line and transformer losses to determine the amount of energy delivered to the Municipality at transmission voltage at Boulder Power Plant. The Secretary's determination of said amount shall be conclusive. The electrical energy delivered hereunder during any period in which the meters furnished to measure such electrical energy

fail to register shall, for billing purposes, be estimated from the best information available. The testing of meters and calibration of testing equipment shall be in accordance with Article 19 of Exhibit 1. If said exhibit should be terminated the same provisions shall apply as nearly as may be.

ENERGY RATES AND GENERATING CHARGES

12. The rates and charges to be paid by the Municipality for electrical energy under this contract shall be in accordance with those specified in Exhibit 2.

BILLING AND PAYMENTS

13. (a) The Municipality shall pay monthly for electrical energy and for the generation thereof in accordance with the energy rates and generating charges specified in Exhibit 2. The energy bill for each month shall be computed at the rate for firm energy in effect when such energy was taken on the basis of the actual amount of energy used during such month; provided, however, that the bill for energy for the month of May of each year shall not be less than the difference between the minimum annual energy payment, as provided in Article 14 hereof, and the sum of the amounts charged for firm energy during the preceding eleven months. The United States will submit bills to the Municipality by the tenth of each month immediately following the month during which the energy was generated, and payments shall be due on the first day of the month immediately succeeding. If such charges (less proper and applicable credits) are not paid when due an interest charge of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional interest charge of one per centum (1%) of the principal sum unpaid shall be added on the first day of each succeeding calendar month until the amount due, including such interest, is paid in full, but nothing contained in this article shall be construed as in any manner abridging, limiting, or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have.

(b) In accordance with the provisions of Section 4 (b) of the Adjustment Act, in the event payments to the States of Arizona and Nevada, or either of them, under Section 2 (c) of the Adjustment Act, shall be reduced by reason of the collection of taxes mentioned in said section, adjustments shall be made, from time to time, with each allottee which shall have paid any such taxes, by credits or otherwise, for that proportion of the amount of such reductions which the amount of the payments of such taxes by such allottee bears to the total amount of such taxes collected.

MINIMUM ANNUAL PAYMENTS

14. The minimum quantity of firm energy which the Municipality shall take and/or pay for at firm energy rates in each year of operation under the terms of this contract shall be 1.5847 per centum of all firm energy as defined in Article 3 of Exhibit 2. The minimum annual energy payment shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article 10 hereof.

CONTINGENT ON FINAL EFFECTIVENESS OF ADJUSTMENT ACT

15. This contract shall not become effective unless and until the Adjustment Act shall have taken effect for all purposes pursuant to the provisions of Section 10 thereof, but thereupon this contract shall be fully effective and binding upon the parties hereto as of midnight, Pacific Standard Time, on the last day of the calendar month in which the Adjustment Act shall have become fully effective. The original contract between the parties hereto shall terminate as of such effective date.

If the Adjustment Act shall not have taken effect for all purposes prior to June 1, 1941, this contract shall be null, void and of no force or effect.

DURATION OF CONTRACT

16. This contract shall remain in effect to and including May 31, 1987, unless sooner terminated as elsewhere herein provided. The Municipality, if this contract has not been terminated prior to said date, shall be entitled to a renewal hereof upon such terms and conditions as may be authorized or required under the then existing laws and regulations, unless the property of the Municipality dependent for its usefulness on a continuation of this contract be purchased or acquired, and the Municipality be compensated for damages to its property, used and useful in the transmission and distribution of such electrical energy and not taken, resulting from the termination of the supply.

NO ENERGY TO BE DELIVERED WITHOUT PAYMENT

17. Unless an extension of time for payment has been first obtained from the Secretary, in writing, no energy shall be generated for, or delivered to, the Municipality if it shall be in arrears for more than twelve (12) months in the payment of any charge due to the United States hereunder.

CONTRACT MAY BE TERMINATED IN CASE OF DEFAULT IN PAYMENT

18. If the Municipality shall be in arrears for more than twelve (12) months in the payment of any charge, including interest, due to the United

States hereunder, and shall not have obtained an extension of time from the Secretary for the payment thereof, or, if such extension be obtained, has not made such payment within the time as extended, then the Secretary shall have the right forthwith upon written notice to the Municipality to terminate this contract and dispose of the energy herein allocated to the Municipality as he may see fit; provided, he shall first give opportunity to the City to contract on terms and conditions to be prescribed by the Secretary, for such energy, and provided further, that such disposition shall be subject to the condition that the Municipality shall have the right at any time within four (4) years from date of the first of the defaults for which the contract is terminated, to become reinstated hereunder by payment to the United States of all arrearages including interest, if any, together with any and all loss incurred by the United States by reason of such termination. Nothing contained in this contract shall relieve the Municipality from the obligation to make the United States whole, for the period of this contract, for all loss and/or damage occasioned by the failure of the Municipality to take and/or pay for energy as provided in this contract.

ACCESS TO BOOKS AND RECORDS

19. The Secretary or his duly authorized representatives shall have free access at all reasonable times to the books and records of the Municipality relating to the transmission and disposal of electrical energy hereunder, with the right at any time during office hours to make copies of or from the same.

USE OF PUBLIC AND RESERVED LANDS OF THE UNITED STATES

20. The use is authorized of such public and reserved lands of the United States as may be necessary or convenient for the construction, operation and maintenance of main transmission lines, to transmit electrical energy generated at Boulder Dam, together with the use of such public and reserved lands of the United States as may be designated by the Secretary, from time to time, for camp sites, residences for employees, warehouses and other uses incident to the operation and maintenance of such main transmission lines.

MODIFICATIONS

21. Any modification, extension or waiver by the Secretary, subsequent to May 31, 1941, of any of the terms, provisions or requirements of any regulation or contract, promulgated or executed subsequent to May 19, 1941, for the benefit of any one or more of the allottees shall not be denied to the Municipality.

DISPUTES AND DISAGREEMENTS

22. Disputes or disagreements between the United States and the Municipality as to the interpretation or performance of the provisions of this contract shall be determined either by arbitration or court proceedings. If in any such arbitration or court proceedings or otherwise any sum or amount paid by the Municipality on the demand or bill of the United States under this contract shall be held not to have been due or owing, payment shall not be deemed to have been voluntary, and such sum or amount shall be refunded. Whenever a controversy arises out of this contract, and the disputants agree to submit the matter to arbitration the Secretary shall name one arbitrator and the Municipality shall name one arbitrator, and the two arbitrators thus chosen shall select a third arbitrator, but in the event of their failure to name such third arbitrator within five days after their first meeting, such third arbitrator shall be named by the Chief Justice of the Supreme Court of the United States. The decision of any two of such arbitrators shall be a valid award of the arbitrators, and shall be final and binding as to the parties hereto.

PRIORITY CLAIMS OF THE UNITED STATES

23. Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured.

TITLE TO REMAIN IN UNITED STATES

24. The title to Boulder Dam and reservoir, Boulder Power Plant, and incidental works, including generating machinery and equipment, shall forever remain in the United States.

EFFECT OF WAIVER OF BREACH OF CONTRACT

25. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any provision hereof, or of any other subsequent breach of any provision hereof.

TRANSFER OF INTEREST IN CONTRACT

26. No voluntary transfer of this contract, or of the rights of the Municipality hereunder, shall be made without the written approval of the Secretary; and any successor or assign of the rights of the Municipality, whether by voluntary transfer, judicial sale, trustee's sale, or otherwise, shall be subject to all the conditions of the Project Act as modified by the Adjustment Act, and of the Adjustment Act, and also subject to all the provisions and conditions of this contract to the same extent as though such successor or assign

were the original contractor hereunder; provided, that the execution of a mortgage or trust deed, or judicial or trustee's sale made thereunder, shall not be deemed a voluntary transfer within the meaning of this Article.

TRANSMISSION

27. The City shall continue to transmit over its main transmission line constructed for carrying Boulder Canyon energy all such energy allocated to, and used by, the City of Burbank, the City of Glendale, and the City of Pasadena, severally, in accordance with contracts between the City and each of said municipalities, made pursuant to Section 5 (d) of the Project Act, as said contracts now exist or as they may be hereafter modified or amended; and accordingly the delivery of energy provided for herein shall be made by the United States to the City for the Municipality.

NOTICES

28. (a) Any notice, demand or request required or authorized by this contract to be given or made to or upon the United States shall be delivered, or mailed postage prepaid, to the Director of Power, United States Bureau of Reclamation, Boulder City, Nevada, except where, by the terms hereof, the same is to be given or made to or upon the Secretary, in which event it shall be delivered, or mailed postage prepaid, to the Secretary, at Washington, D. C.

(b) Any notice, demand or request required or authorized by this contract to be given or made to or upon the Municipality shall be delivered, or mailed postage prepaid, to the City Manager of the City of Pasadena, Pasadena, California.

(c) The designation of any person specified in this article or in any such request for notice, or the address of any such person, may be changed at any time by notice given in the same manner as provided in this article for other notices.

CONTRACT CONTINGENT UPON APPROPRIATIONS

29. This contract is subject to appropriation being made by Congress from time to time of money sufficient to make all payments and to provide for the doing and performance of all things on the part of the United States to be done and performed under the terms hereof, and to there being sufficient money available in the Colorado River Dam fund for such purposes. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient money not being so appropriated, or on account of there not being sufficient money in the Colorado River Dam fund for such purposes.

OFFICIALS NOT TO BENEFIT

30. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA
(Signed) HAROLD L. ICKES,
Secretary of the Interior.

THE CITY OF PASADENA,
(Signed) A. I. STEWART,
Chairman of the Board of Directors.

[SEAL]

Approved as to form:
(Signed) HAROLD P. HULS, *City Attorney.*

Attest:
(Signed) BESSIE CHAMBERLAIN,
City Clerk of the City of Pasadena.

Approved:
(Signed) B. F. DEHANTY.

[ITEM 80]

BOULDER CANYON PROJECT

CONTRACT FOR THE SALE OF ELECTRICAL ENERGY

THE UNITED STATES

AND

STATE OF NEVADA

MAY 29, 1941

(I1r–1338)

1. THIS CONTRACT, made this 29th day of May, 1941, pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the

Act of Congress approved December 21, 1928 (45 Stat. 1057), designated the Boulder Canyon Project Act (hereinafter referred to as the "Project Act"), and to the Act of Congress approved July 19, 1940 (54 Stat. 774), designated the Boulder Canyon Project Adjustment Act (hereinafter referred to as the "Adjustment Act"), between THE UNITED STATES OF AMERICA (hereinafter referred to as the "United States"), acting for this purpose by Harold L. Ickes, Secretary of the Interior (hereinafter referred to as the "Secretary"), and the STATE OF NEVADA, a body politic and corporate, and its Colorado River Commission (said Commission acting in the name of the State, but as principal in its own behalf as well as in behalf of the State; the term State as used in this contract being deemed to be both the State of Nevada and its Colorado River Commission), acting in pursuance of an act of the Legislature of the State of Nevada, entitled "An Act creating a commission to be known as the Colorado river commission of Nevada, defining its powers and duties, and making an appropriation for the expenses thereof, and repealing all acts and parts of acts in conflict with this act," approved March 20, 1935, (Chapter 71, Stats. of Nevada, 1935), and acts amendatory thereof or supplementary thereto;

WITNESSETH THAT:

EXPLANATORY RECITALS

2. WHEREAS, pursuant to the provisions of the Project Act, the United States entered into a certain contract designated as "Contract for Lease of Powere Privilege," dated April 26, 1930, with severally, The City of Los Angeles and its Department of Water and Power and Southern California Edison Company Ltd. (hereinafter referred to as the "City" and "Edison Company," respectively), which contract was thereafter amended by two certain contracts between the same parties, dated May 28, 1930, and September 23, 1931, and was also modified by a certain contract between the United States and the City, dated July 6, 1938, and consented to by Edison Company, which Contract for Lease of Power Privilege, dated April 26, 1930, together with said amendatory and modifying contracts, are hereinafter collectively referred to as the "Lease," and under date of May 6, 1936, the parties hereto entered into a certain contract for electrical energy, which contract was amended under dates of April 23, 1938, December 7, 1939, and December 19, 1940, such contract as so amended and modified being hereinafter collectively referred to as the "Original Contract;" and

3. WHEREAS, by the terms of the Adjustment Act it is provided among other things, that the Secretary is authorized to negotiate for and enter into a contract for the termination of the existing Lease of the Boulder Power Plant, and that the Secretary, in consideration of such termination of the Lease, is authorized to designate the City and Edison Company as the agents of the United States for the operation of the Boulder Power Plant; and

4. WHEREAS, under date of May 29, 1941, the United States and the City and Edison Company (hereinafter collectively referred to as "Operating Agents") have executed a contract designated "Contract for the Operation of Boulder Power Plant," a copy of which said contract is attached hereto, marked "Exhibit 1;" and

5. WHEREAS, under date of May 20, 1941, the Secretary approved and promulgated "General Regulations for Generation and Sale of Power in Accordance with the Boulder Canyon Project Adjustment Act," a copy of which is attached hereto, marked "Exhibit 2;" and

6. WHEREAS, the State, the cities of Burbank, Glendale and Pasadena (hereinafter referred to as "the Municipalities") and the City have made a joint request on the United States that the provisions of Article 9 (b) hereof be incorporated as a part of each of the contracts, under the Adjustment Act, for the sale of electrical energy by the United States to the State, the Municipalities and the City, respectively;

7. NOW, THEREFORE, in consideration of the provisions, covenants and conditions herein contained, the parties hereto agree as follows, to wit:

REGULATIONS AND AGENCY CONTRACTS

8. (a) This contract is subject to all the terms and provisions of Exhibit 2 hereof which is hereby made a part hereof as fully and completely as though set out herein at length, and this contract is subject to such other rules and regulations as hereafter may be promulgated by the Secretary pursuant to law and to Article 27 of Exhibit 2 hereof.

(b) The State hereby consents that the United States shall, and the United States agrees that it shall, cause the energy agreed to be delivered hereunder to be generated and delivered in accordance with the provisions of Exhibit 1; and the parties hereto agree that the rights and obligations of the State under this contract shall be controlled by the provisions of Exhibit 1 to the extent that such provisions are applicable to the State as an allottee or contractor for electrical energy; provided, however, that in the event that such Exhibit 1 shall be terminated as to either or both of the Operating Agents therein named, the United States thereafter shall itself generate and deliver the energy agreed by the United States to be generated and delivered through the agent or agents as to which said Exhibit 1 shall have been terminated.

DELIVERY OF ENERGY

9. (a) The United States agrees to deliver at transmission voltage at Boulder Power Plant, and the State agrees to take and/or pay for, electrical energy for use by it (directly or under contract) in accordance with the provisions of Article 8 hereof, for the period from the effective date of this contract to May 31, 1987, inclusive, in accordance with notices of withdrawal of energy and notices of relinquishment of energy given as provided in Exhibit 2.

(b) From the effective date of this contract and until Section G-3 has been placed in operation, Section G-1 shall be used for the service of the City, the Municipalities, the United States, the State and such resale consumers of energy allocated to but not taken by The Metropolitan Water District of Southern California as are now served by Section G-1.

After said Section G-3 has been placed in operation, said Section G-1 shall be used solely for the service of the City and the Municipalities and the United States, and said Section G-3 shall be used solely for the service of the City and the United States, except that the States of Nevada and Arizona shall be entitled to generation of electrical energy by means of said Section G-3 up to but not exceeding a combined demand of 44,000 kilowatts, and such resale consumers shall be entitled to generation of electrical energy by means of said Section G-3 up to but not exceeding a combined demand of 6,000 kilowatts plus such portion of said 44,000 kilowatts as is not in use or required by the States; provided, that such resale consumers shall not be entitled to take in excess of 70,000,000 kilowatt hours of electrical energy in any one year of operation.

The fact that energy generated by means of Section G-3 may in fact reach any of said Municipalities, shall not be deemed to be in violation of the foregoing provisions.

The foregoing provisions of this Article 9 (b) relate only to operating conditions, and are not to be construed as an agreement, contemplated by Article 18 of Exhibit 2, relating to or affecting in any way the apportionment of generating charges. Notwithstanding the operating conditions provided for in this Article 9 (b), generating charges for Sections G-1 and G-3 shall be considered as charges for a single section and shall be apportioned in accordance with the provisions of Article 18 of Exhibit 2.

DELIVERY OF WATER FOR GENERATION OF ELECTRICAL ENERGY

10. (a) Subject to:

(i) the statutory requirement that Boulder Dam and the reservoir created thereby shall be used: First, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of perfected rights mentioned in Section 6 of the Project Act; and third, for power; and

(ii) the further statutory requirement that this contract is made upon the express condition and with the express covenant that the rights of the State, as a contractor for electrical energy, to the use of the waters of the Colorado River, or its tributaries, shall be subject to and controlled by the Colorado River Compact;

the United States will deliver to the State energy in the manner required by this contract, in the quantity to which the State is entitled hereunder, and in accordance with the State's load requirements.

(b) The United States reserves the right temporarily to discontinue or reduce the delivery of water for the generation of electrical energy at any time for the

purpose of maintenance, repairs and/or replacements, or installation of equipment, at the Project, and for investigations and inspections necessary thereto; provided, however, that the United States shall, except in case of emergency, give to the State reasonable notice in advance of such temporary discontinuance or reduction, and that the United States shall make such inspections and perform such maintenance and repair work, after consultation with the State, at such times and in such manner as to cause the least inconvenience to the State, and that the United States shall prosecute such work with diligence, and, without unnecessary delay, resume delivery of water so discontinued or reduced.

(c) Should the delivery of water, for any reason or cause, other than any act or omission of the State, be discontinued or reduced below the amount required for the generation of firm energy in accordance with the provisions of this contract, the total number of hours of such discontinuance or reduction in any year shall be determined by taking the sum of the number of hours during which the delivery of water is totally discontinued, plus the product of the number of hours during which the delivery of water is partially reduced and the percentage of said partial reduction below the actual quantity of water required for generation of firm energy. Total or partial reductions in the delivery of water which do not reduce the power output below the amount required at the time for generation of firm energy will not be considered in determining the total hours of discontinuance in any year. The minimum annual payment specified in Article 14 hereof shall be reduced by the ratio that the total number of hours of such discontinuance bears to eight thousand seven hundred sixty (8,760).

(d) In no event shall any liability accrue against the United States, its officers, agents and/or employees, for any damage, direct or indirect, arising on account of drought, hostile diversion, Act of God, or the public enemy, or other similar cause; nevertheless interruptions in delivery of water occasioned by such causes shall be governed as provided in this Article 10. In the event of shortage of electrical energy at Boulder Power Plant due to shortage of water, the available electrical energy shall be prorated among all allottees concerned, on the basis of their respective obligations to take and/or pay for firm energy in the year of operation in which the shortage occurs.

MEASUREMENT OF ENERGY

11. All electrical energy shall be measured at generator voltage. Suitable correction shall be made in the amounts of energy as measured at generator voltage to cover step-up transformer losses. The electrical energy delivered hereunder during any period in which the meters furnished to measure such electrical energy fail to register shall, for billing purposes, be estimated from the best information available. The testing of meters and calibration of testing equipment shall be in accordance with Article 19 of Exhibit 1. If said exhibit should be terminated the same provisions shall apply as nearly as may be.

ENERGY RATES AND GENERATING CHARGES

12. The rates and charges to be paid by the State for electrical energy under this contract shall be in accordance with those specified in Exhibit 2.

BILLING AND PAYMENTS

13. (a) The State shall pay monthly for electrical energy and for the generation thereof in accordance with the energy rates and gnerating charges specified in Exhibit 2. The energy bill for each month shall be computed at the rate for firm energy in effect when such energy was taken on the basis of the actual amount of energy used during such month; provided, however, that the bill for energy for the month of May of each year shall not be less than the difference between the minimum annual energy payment, as provided in Article 14 hereof, and the sum of the amounts charged for firm energy during the preceding eleven months. The United States will submit bills to the State by the tenth of each month immediately following the month during which the energy was generated, and payments shall be due on the first day of the month immediately succeeding. If such charges (less proper and applicable credits) are not paid when due an interest charge of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional interest charge of one per centum (1%) of the principal sum unpaid shall be added on the first day of each succeeding calendar month until the amount due, including such interest, is paid in full, but nothing contained in this article shall be construed as in any manner abridging, limiting, or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have.

(b) In accordance with the provisions of Section 4 (b) of the Adjustment Act, in the event payments to the States of Arizona and Nevada, or either of them, under Section 2 (c) of the Adjustment Act, shall be reduced by reason of the collection of taxes mentioned in said section, adjustments shall be made, from time to time, with each allottee which shall have paid any such taxes, by credits or otherwise, for that proportion of the amount of such reductions which the amount of the payments of such taxes by such allottee bears to the total amount of such taxes collected.

MINIMUM ANNUAL PAYMENTS

14. The minimum quantity of firm energy which the State shall take and/or pay for at firm energy rates in each year of operation under the terms of this contract shall be the total kilowatt hours stated in notices of withdrawal which are in effect as of June 1 of such year of operation as properly adjusted to account for the number of kilowatt hours for the remainder of such year of operation added or subtracted by notices of withdrawal or relinquishment becoming ef-

fective during such year of operation. No period of less than one day will be considered in making such adjustments. The total amount of energy for which notices of withdrawal are in effect as of June 1, 1941 shall be thirty-five million eight hundred thousand (35,800,000) kilowatt-hours. The minimum annual energy payment shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article 10 hereof.

CONTINGENT ON FINAL EFFECTIVENESS OF ADJUSTMENT ACT

15. This contract shall not become effective unless and until the Adjustment Act shall have taken effect for all purposes pursuant to the provisions of Section 10 thereof, but thereupon this contract shall be fully effective and binding upon the parties hereto as of midnight, Pacific Standard Time, on the last day of the calendar month in which the Adjustment Act shall have become fully effective. The original contract between the parties hereto shall terminate as of such effective date.

If the Adjustment Act shall not have taken effect for all purposes prior to June 1, 1941, this contract shall be null, void and of no force or effect.

DURATION OF CONTRACT

16. This contract shall remain in effect to and including May 31, 1987, unless sooner terminated as elsewhere herein provided. The State, if this contract has not been terminated prior to said date, shall be entitled to a renewal hereof upon such terms and conditions as may be authorized or required under the then existing laws and regulations, unless the property of the State dependent for its usefulness on a continuation of this contract be purchased or acquired, and the State be compensated for damages to its property, used and useful in the transmission and distribution of such electrical energy and not taken, resulting from the termination of the supply.

NO ENERGY TO BE DELIVERED WITHOUT PAYMENT

17. Unless an extension of time for payment has been first obtained from the Secretary, in writing, no energy shall be generated for, or delivered to, the State if it shall be in arrears for more than twelve (12) months in the payment of any charge due to the United States hereunder.

CONTRACT MAY BE TERMINATED IN CASE OF DEFAULT IN PAYMENT

18. If the State shall be in arrears for more than twelve (12) months in the payment of any charge, including interest, due to the United States hereunder, and shall not have obtained an extension of time from the Secretary for the payment thereof, or, if such extension be obtained, has not made such payment

within the time as extended, then the Secretary shall have the right forthwith upon written notice to the State to terminate this contract; provided, that the State shall have the right at any time within four (4) years from date of the first of the defaults for which the contract is terminated, to become reinstated hereunder by payment to the United States of all arrearages including interest, if any, together with any and all loss incurred by the United States by reason of such termination and compensation to the allottees affected for property rendered idle by such reinstatement. If the State and the allottees affected fail to agree on such compensation, the disagreement shall be determined by arbitration as provided in Article 25 of Exhibit 2. Nothing contained in this contract shall relieve the State from the obligation to make the United States whole, for the period of this contract, for all loss and/or damage occasioned by the failure of the State to take and/or pay for energy as provided in this contract.

ACCESS TO BOOKS AND RECORDS

19. The Secretary or his duly authorized representatives shall have free access at all reasonable times to the books and records of the State relating to the transmission and disposal of electrical energy hereunder, with the right at any time during office hours to make copies of or from the same.

USE OF PUBLIC AND RESERVED LANDS OF THE UNITED STATES

20. The use is authorized of such public and reserved lands of the United States as may be necessary or convenient for the construction, operation and maintenance of main transmission lines, to transmit electrical energy generated at Boulder Dam, together with the use of such public and reserved lands of the United States as may be designated by the Secretary, from time to time, for camp sites, residences for employees, warehouses and other uses incident to the operation and maintenance of such main transmission lines.

MODIFICATIONS

21. Any modifications, extension or waiver by the Secretary, subsequent to May 31, 1941, of any of the terms, provisions or requirements of any regulation or contract, promulgated or executed subsequent to May 19, 1941, for the benefit of any one or more of the allottees shall not be denied to the State.

DISPUTES AND DISAGREEMENTS

22. Disputes or disagreements between the United States and the State as to the interpretation or performance of the provisions of this contract shall be determined either by arbitration or court proceedings. If in any such arbitration or court proceedings or otherwise any sum or amount paid by the

State on the demand or bill of the United States under this contract shall be held not to have been due or owing, payment shall not be deemed to have been voluntary, and such sum or amount shall be refunded. Whenever a controversy arises out of this contract, and the disputants agree to submit the matter to arbitration the Secretary shall name one arbitrator and the State shall name one arbitrator, and the two arbitrators thus chosen shall select a third arbitrator, but in the event of their failure to name such third arbitrator within five days after their first meeting, such third arbitrator shall be named by the Chief Justice of the Supreme Court of the United States. The decision of any two of such arbitrators shall be a valid award of the arbitrators, and shall be final and binding as to the parties hereto.

PRIORITY CLAIMS OF THE UNITED STATES

23. Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured.

TITLE TO REMAIN IN UNITED STATES

24. The title to Boulder Dam and reservoir, Boulder Power Plant, and incidental works, including generating machinery and equipment, shall forever remain in the United States.

EFFECT OF WAIVER OF BREACH OF CONTRACT

25. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any provision hereof, or of any other subsequent breach of any provision hereof.

TRANSFER OF INTEREST IN CONTRACT

26. No voluntary transfer of this contract, or of the rights of the State hereunder, shall be made without the written approval of the Secretary; and any successor or assign of the rights of the State, whether by voluntary transfer, judicial sale, trustee's sale, or otherwise, shall be subject to all the conditions of the Project Act as modified by the Adjustment Act, and of the Adjustment Act, and also subject to all the provisions and conditions of this contract to the same extent as though such successor or assign were the original contractor hereunder; provided, that the execution of a mortgage or trust deed, or judicial or trustee's sale made thereunder, shall not be deemed a voluntary transfer within the meaning of this Article.

NOTICES

27. (a) Any notice, demand or request required or authorized by this contract to be given or made to or upon the United States shall be delivered, or

mailed postage prepaid, to the Director of Power, United States Bureau of Reclamation, Boulder City, Nevada, except where, by the terms hereof, the same is to be given or made to or upon the Secretary, in which event it shall be delivered, or mailed postage prepaid, to the Secretary, at Washington, D. C.

(b) Any notice, demand or request required or authorized by this contract to be given or made to or upon the State shall be delivered, or mailed postage prepaid, to the Secretary of the Colorado River Commission of Nevada, Carson City, Nevada.

(c) The designation of any person specified in this article or in any such request for notice, or the address of any such person, may be changed at any time by notice given in the same manner as provided in this article for other notices.

CONTRACT CONTINGENT UPON APPROPRIATIONS

28. This contract is subject to appropriations being made by Congress from time to time of money sufficient to make all payments and to provide for the doing and performance of all things on the part of the United States to be done and performed under the terms hereof, and to there being sufficient money available in the Colorado River Dam fund for such purposes. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient money not being so appropriated, or on account of there not being sufficient money in the Colorado River Dam fund for such purposes.

OFFICIALS NOT TO BENEFIT

29. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By HAROLD L. ICKES,
Secretary of the Interior.

STATE OF NEVADA, acting by and through its Colorado River Commission.
By E. P. CARVILLE, *Chairman.*

Attest:
(Signed) ALFRED MERRITT SMITH, *Secretary.*

COLORADO RIVER COMMISSION OF NEVADA.
By E. P. CARVILLE, *Chairman.*

[SEAL]

Attest:

(Signed) ALFRED MERRITT SMITH, *Secretary.*

Ratified and approved
this 28th day of May, 1941.
(Signed) E. P. CARVILLE,
Governor of the State of Nevada.

Attest:

....., ...,
Secretary of State.

Approved as to form:
(Signed) GRAY MASHBURN,
Attorney-General of Nevada.

[ITEM 81]

BOULDER CANYON PROJECT

CONTRACT FOR THE SALE OF ELECTRICAL ENERGY

THE UNITED STATES

AND

THE CITY OF BURBANK

MAY 29, 1941

(I1r–1339)

1. THIS CONTRACT, made this 29th day of May, 1941, pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), and acts amendatory

thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat. 1057), designated the Boulder Canyon Project Act (hereinafter referred to as the "Project Act"), and to the Act of Congress approved July 19, 1940 (54 Stat. 774), designated the Boulder Canyon Project Adjustment Act (hereinafter referred to as the "Adjustment Act"), between THE UNITED STATES OF AMERICA (hereinafter referred to as the "United States"), acting for this purpose by Harold L. Ickes, Secretary of the Interior (hereinafter referred to as the "Secretary"), and the CITY OF BURBANK, a municipal corporation organized and existing under the laws of the State of California (hereinafter referred to as the "Municipality");

WITNESSETH THAT:

EXPLANATORY RECITALS

2. WHEREAS, pursuant to the provisions of the Project Act, the United States entered into a certain contract designated as "Contract for Lease of Power Privilege", dated April 26, 1930, with severally, The City of Los Angeles and its Department of Water and Power and Southern California Edison Company Ltd. (hereinafter referred to as the "City" and "Edison Company", respectively), which contract was thereafter amended by two certain contracts between the same parties, dated May 28, 1930, and September 23, 1931, and was also modified by a certain contract between the United States and the City, dated July 6, 1938, and consented to by Edison Company, which Contract for Lease of Power Privilege, dated April 26, 1930, together with said amendatory and modifying contracts, are hereinafter collectively referred to as the "Lease", and under date of November 10, 1931, the parties hereto entered into a certain contract for electrical energy, which contract was amended under date of October 30, 1934, such contract as so amended and modified being hereinafter collectively referred to as the "Original Contract"; and

3. WHEREAS, by the terms of the Adjustment Act it is provided among other things, that the Secretary is authorized to negotiate for and enter into a contract for the termination of the existing Lease of the Boulder Power Plant, and that the Secretary, in consideration of such termination of the Lease, is authorized to designate the City and Edison Company as the agents of the United States for the operation of the Boulder Power Plant; and

4. WHEREAS, under date of May 29, 1941, the United States and the City and Edison Company (hereinafter collectively referred to as "Operating Agents") have executed a contract designated "Contract for the Operation of Boulder Power Plant", a copy of which said contract is attached hereto, marked "Exhibit 1"; and

5. WHEREAS, under date of May 20, 1941, the Secretary approved and promulgated "General Regulations for Generation and Sale of Power in

Accordance with the Boulder Canyon Project Adjustment Act", a copy of which is attached hereto, marked "Exhibit 2"; and

6. WHEREAS, the State of Nevada, the cities of Burbank, Glendale and Pasadena (hereinafter referred to as "the Municipalities") and the City have made a joint request on the United States that the provisions of Article 9 (b) hereof be incorporated as a part of each of the contracts, under the Adjustment Act, for the sale of electrical energy by the United States to the State of Nevada, the Municipalities and the City, respectively;

7. NOW, THEREFORE, in consideration of the provisions, covenants and conditions herein contained, the parties hereto agree as follows, to wit:

REGULATIONS AND AGENCY CONTRACTS

8. (a) This contract is subject to all the terms and provisions of Exhibit 2 hereof which is hereby made a part hereof as fully and completely as though set out herein at length, and this contract is subject to such other rules and regulations as hereafter may be promulgated by the Secretary pursuant to law and to Article 27 of Exhibit 2 hereof.

(b) The Municipality hereby consents that the United States shall, and the United States agrees that it shall, cause the energy agreed to be delivered hereunder to be generated and delivered in accordance with the provisions of Exhibit 1; and the parties hereto agree that the rights and obligations of the Municipality under this contract shall be controlled by the provisions of Exhibit 1 to the extent that such provisions are applicable to the Municipality as an allottee or contractor for electrical energy; provided, however, that in the event that such Exhibit 1 shall be terminated as to either or both of the Operating Agents therein named, the United States thereafter shall itself generate and deliver the energy agreed by the United States to be generated and delivered through the agent or agents as to which said Exhibit 1 shall have been terminated.

DELIVERY OF ENERGY

9. (a) The United States agrees to deliver at transmission voltage at Boulder Power Plant, and the Municipality agrees to take and/or pay for, electrical energy in accordance with the provisions of Article 8 hereof, for the period from the effective date of this contract to May 31, 1987, inclusive, in accordance with the allocation of energy contained in Exhibit 2.

(b) From the effective date of this contract and until Section G-3 has been placed in operation, Section G-1 shall be used for the service of the City, the Municipalities, the United States, the State of Nevada and such resale consumers of energy allocated to but not taken by The Metropolitan Water District of Southern California as are now served by Section G-1.

After said Section G-3 has been placed in operation, said Section G-1 shall be used solely for the service of the City and the Municipalities and the United States, and said Section G-3 shall be used solely for the service of the City and the United States, except that the States of Nevada and Arizona shall be entitled to generation of electrical energy by means of said Section G-3 up to but not exceeding a combined demand of 44,000 kilowatts, and such resale consumers shall be entitled to generation of electrical energy by means of said Section G-3 up to but not exceeding a combined demand of 6,000 kilowatts plus such portion of said 44,000 kilowatts as is not in use or required by the States; provided, that such resale consumers shall not be entitled to take in excess of 70,000,000 kilowatt hours of electrical energy in any one year of operation.

The fact that energy generated by means of Section G-3 may in fact reach any of said Municipalities, shall not be deemed to be in violation of the foregoing provisions.

The foregoing provisions of this Article 9 (b) relate only to operating conditions, and are not to be construed as an agreement, contemplated by Article 18 of Exhibit 2, relating to or affecting in any way the apportionment of generating charges. Notwithstanding the operating conditions provided for in this Article 9 (b), generating charges for Sections G-1 and G-3 shall be considered as charges for a single section and shall be apportioned in accordance with the provisions of Article 18 of Exhibit 2.

DELIVERY OF WATER FOR GENERATION OF ELECTRICAL ENERGY

10. (a) Subject to:

(i) the statutory requirement that Boulder Dam and the reservoir created thereby shall be used: First, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of perfected rights mentioned in Section 6 of the Project Act; and third, for power; and

(ii) the further statutory requirement that this contract is made upon the express condition and with the express covenant that the rights of the Municipality, as a contractor for electrical energy, to the use of the waters of the Colorado River, or its tributaries, shall be subject to and controlled by the Colorado River Compact;

the United States will deliver to the Municipality energy in the manner required by this contract, in the quantity to which the Municipality is entitled hereunder, and in accordance with the Municipality's load requirements.

(b) The United States reserves the right temporarily to discontinue or reduce the delivery of water for the generation of electrical energy at any time for the purpose of maintenance, repairs and/or replacements, or installation of equipment, at the Project, and for investigations and inspections necessary thereto; provided, however, that the United States shall, except in case of emergency, give to the Municipality reasonable notice in advance of such temporary discontinuance or reduction, and that the United States shall make such in-

spections and perform such maintenance and repair work, after consultation with the Municipality, at such times and in such manner as to cause the least inconvenience to the Municipality, and that the United States shall prosecute such work with diligence, and, without unnecessary delay, resume delivery of water so discontinued or reduced.

(c) Should the delivery of water, for any reason or cause, other than any act or omission of the Municipality, be discontinued or reduced below the amount required for the generation of firm energy in accordance with the provisions of this contract, the total number of hours of such discontinuance or reduction in any year shall be determined by taking the sum of the number of hours during which the delivery of water is totally discontinued, plus the product of the number of hours during which the delivery of water is partially reduced and the percentage of said partial reduction below the actual quantity of water required for generation of firm energy. Total or partial reductions in the delivery of water which do not reduce the power output below the amount required at the time for generation of firm energy will not be considered in determining the total hours of discontinuance in any year. The minimum annual payment specified in Article 14 hereof shall be reduced by the ratio that the total number of hours of such discontinuance bears to eight thousand seven hundred sixty (8,760).

(d) In no event shall any liability accrue against the United States, its officers, agents and/or employees, for any damage, direct or indirect, arising on account of drought, hostile diversion, Act of God, or the public enemy, or other similar cause; nevertheless interruptions in delivery of water occasioned by such causes shall be governed as provided in this Article 10. In the event of shortage of electrical energy at Boulder Power Plant due to shortage of water, the available electrical energy shall be prorated among all allottees concerned, on the basis of their respective obligations to take and/or pay for firm energy in the year of operation in which the shortage occurs.

MEASUREMENT OF ENERGY

11. All electrical energy shall be measured at generator voltage in combination with energy delivered to the City. Suitable correction shall be made in the amounts of energy as measured at generator voltage to cover step-up transformer losses. Suitable metering equipment, satisfactory to the Secretary, for measuring the energy actually delivered to the Municipality shall be provided, as agreed to by the City and the Municipality, and suitable correction shall be made to cover transmission lines and transformer losses to determine the amount of energy delivered to the Municipality at transmission voltage at Boulder Power Plant. The Secretary's determination of said amount shall be conclusive. The electrical energy delivered hereunder during any period in which the meters furnished to measure such electrical energy fail to register shall, for billing purposes, be

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estimated from the best information available. The testing of meters and calibration of testing equipment shall be in accordance with Article 19 of Exhibit 1. If said exhibit should be terminated the same provisions shall apply as nearly as may be.

ENERGY RATES AND GENERATING CHARGES

12. The rates and charges to be paid by the Municipality for electrical energy under this contract shall be in accordance with those specified in Exhibit 2.

BILLING AND PAYMENTS

13. (a) The Municipality shall pay monthly for electrical energy and for the generation thereof in accordance with the energy rates and generating charges specified in Exhibit 2. The energy bill for each month shall be computed at the rate for firm energy in effect when such energy was taken on the basis of the actual amount of energy used during such month; provided, however, that the bill for energy for the month of May of each year shall not be less than the difference between the minimum annual energy payment, as provided in Article 14 hereof, and the sum of the amounts charged for firm energy during the preceding eleven months. The United States will submit bills to the Municipality by the tenth of each month immediately following the month during which the energy was generated, and payments shall be due on the first day of the month immediately succeeding. If such charges (less proper and applicable credits) are not paid when due an interest charge of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional interest charge of one per centum (1%) of the principal sum unpaid shall be added on the first day of each succeeding calendar month until the amount due, including such interest, is paid in full, but nothing contained in this article shall be construed as in any manner abridging, limiting, or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have.

(b) In accordance with the provisions of Section 4 (b) of the Adjustment Act, in the event payments to the States of Arizona and Nevada, or either of them, under Section 2 (c) of the Adjustment Act, shall be reduced by reason of the collection of taxes mentioned in said section, adjustments shall be made, from time to time, with each allottee which shall have paid any such taxes, by credits or otherwise, for that proportion of the amount of such reductions which the amount of the payments of such taxes by such allottee bears to the total amount of such taxes collected.

MINIMUM ANNUAL PAYMENTS

14. The minimum quantity of firm energy which the Municipality shall take and/or pay for at firm energy rates in each year of operation under the terms

of this contract shall be 0.5773 per centum of all firm energy as defined in Article 3 of Exhibit 2. The minimum annual energy payment shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article 10 hereof.

CONTINGENT ON FINAL EFFECTIVENESS OF ADJUSTMENT ACT

15. This contract shall not become effective unless and until the Adjustment Act shall have taken effect for all purposes pursuant to the provisions of Section 10 thereof, but thereupon this contract shall be fully effective and binding upon the parties hereto as of midnight, Pacific Standard Time, on the last day of the calendar month in which the Adjustment Act shall have become fully effective. The original contract between the parties hereto shall terminate as of such effective date.

If the Adjustment Act shall not have taken effect for all purposes prior to June 1, 1941, this contract shall be null, void and of no force or effect.

DURATION OF CONTRACT

16. This contract shall remain in effect to and including May 31, 1987, unless sooner terminated as elsewhere herein provided. The Municipality, if this contract has not been terminated prior to said date, shall be entitled to a renewal hereof upon such terms and conditions as may be authorized or required under the then existing laws and regulations, unless the property of the Municipality dependent for its usefulness on a continuation of this contract be purchased or acquired, and the Municipality be compensated for damages to its property, used and useful in the transmission and distribution of such electrical energy and not taken, resulting from the termination of the supply.

NO ENERGY TO BE DELIVERED WITHOUT PAYMENT

17. Unless an extension of time for payment has been first obtained from the Secretary, in writing, no energy shall be generated for, or delivered to, the Municipality if it shall be in arrears for more than twelve (12) months in the payment of any charge due to the United States hereunder.

CONTRACT MAY BE TERMINATED IN CASE OF DEFAULT IN PAYMENT

18. If the Municipality shall be in arrears for more than twelve (12) months in the payment of any charge, including interest, due to the United States hereunder, and shall not have obtained an extension of time from the Secretary for the payment thereof, or, if such extension be obtained, has not made such payment within the time as extended, then the Secretary shall have

the right forthwith upon written notice to the Municipality to terminate this contract and dispose of the energy herein allocated to the Municipality as he may see fit; provided, he shall first give oportunity, to the City to contract on terms and conditions to be prescribed by the Secretary, for such energy, and provided further, that such disposition shall be subject to the condition that the Municipality shall have the right at any time within four (4) years from date of the first of the defaults for which the contract is terminated, to become reinstated hereunder by payment to the United States of all arrearages including interest, if any, together with any and all loss incurred by the United States by reason of such termination. Nothing contained in this contract shall relieve the Municipality from the obligation to make the United States whole, for the period of this contract, for all loss and/or damage occasioned by the failure of the Municipality to take and/or pay for energy as provided in this contract.

ACCESS TO BOOKS AND RECORDS

19. The Secretary or his duly authorized representatives shall have free access at all reasonable times to the books and records of the Municipality relating to the transmission and disposal of electrical energy hereunder, with the right at any time during office hours to make copies of or from the same.

USE OF PUBLIC AND RESERVED LANDS OF THE UNITED STATES

20. The use is authorized of such public and reserved lands of the United States as may be necessary or convenient for the construction, operation and maintenance of main transmission lines, to transmit electrical energy generated at Boulder Dam, together with the use of such public and reserved lands of the United States as may be designated by the Secretary, from time to time, for camp sites, residences for employees, warehouses and other uses incident to the operation and maintenance of such main transmission lines.

MODIFICATIONS

21. Any modification, extension or waiver by the Secretary, subsequent to May 31, 1941, of any of the terms, provisions or requirements of any regulation or contract, promulgated or executed subsequent to May 19, 1941, for the benefit of any one or more of the allottees shall not be denied to the Municipality.

DISPUTES AND DISAGREEMENTS

22. Disputes or disagreements between the United States and the Municipality as to the interpretation or performance of the provisions of this contract shall

be determined either by arbitration or court proceedings. If in any such arbitration or court proceedings or otherwise any sum or amount paid by the Municipality on the demand or bill of the United States under this contract shall be held not to have been due or owing, payment shall not be deemed to have been voluntary, and such sum or amount shall be refunded. Whenever a controversy arises out of this contract, and the disputants agree to submit the matter to arbitration the Secretary shall name one arbitrator and the Municipality shall name one arbitrator, and the two arbitrators thus chosen shall select a third arbitrator, but in the event of their failure to name such third arbitrator within five days after their first meeting, such third arbitrator shall be named by the Chief Justice of the Supreme Court of the United States. The decision of any two of such arbitrators shall be a valid award of the arbitrators, and shall be final and binding as to the parties hereto.

PRIORITY CLAIMS OF THE UNITED STATES

23. Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured.

TITLE TO REMAIN IN UNITED STATES

24. The title to Boulder Dam and reservoir, Boulder Power Plant, and incidental works, including generating machinery and equipment, shall forever remain in the United States.

EFFECT OF WAIVER OF BREACH OF CONTRACT

25. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any provision hereof, or of any other subsequent breach of any provision hereof.

TRANSFER OF INTEREST IN CONTRACT

26. No voluntary transfer of this contract, or of the rights of the Municipality hereunder, shall be made without the written approval of the Secretary; and any successor or assign of the rights of the Municipality, whether by voluntary transfer, judicial sale, trustee's sale, or otherwise, shall be subject to all the conditions of the Project Act as modified by the Adjustment Act, and of the Adjustment Act, and also subject to all the provisions and conditions of this contract to the same extent as though such successor or assign were the original contractor hereunder; provided, that the execution of a mortgage or trust deed, or judical or trustee's sale made thereunder, shall not be deemed a voluntary transfer within the meaning of this Article.

TRANSMISSION

27. The City shall continue to transmit over its main transmission line constructed for carrying Boulder Canyon energy all such energy allocated to, and used by, the City of Burbank, the City of Glendale and the City of Pasadena, severally, in accordance with contracts between the City and each of said municipalities, made pursuant to Section 5 (d) of the Project Act, as said contracts now exist or as they may be hereafter modified or amended; and accordingly the delivery of energy provided for herein shall be made by the United States to the City for the Municipality.

NOTICES

28. (a) Any notice, demand or request required or authorized by this contract to be given or made to or upon the United States shall be delivered, or mailed postage prepaid, to the Director of Power, United States Bureau of Reclamation, Boulder City, Nevada, except where, by the terms hereof, the same is to be given or made to or upon the Secretary, in which event it shall be delivered, or mailed postage prepaid, to the Secretary, at Washington, D. C.

(b) Any notice, demand or request required or authorized by this contract to be given or made to or upon the Municipality shall be delivered, or mailed postage prepaid, to the City Manager of the City of Burbank, Burbank, California.

(c) The designation of any person specified in this article or in any such request for notice, or the address of any such person, may be changed at any time by notice given in the same manner as provided in this article for other notices.

CONTRACT CONTINGENT UPON APPROPRIATIONS

29. This contract is subject to appropriations being made by Congress from time to time of money sufficient to make all payments and to provide for the doing and performance of all things on the part of the United States to be done and performed under the terms hereof, and to there being sufficient money available in the Colorado River Dam fund for such purposes. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient money not being so appropriated, or on account of there not being sufficient money in the Colorado River Dam fund for such purposes.

OFFICIALS NOT TO BENEFIT

30. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By HAROLD L. ICKES,
Secretary of the Interior.

CITY OF BURBANK,
By WALTER R. HINTON, *Mayor.*

Attest:
(Signed) R. H. HILL,
City Clerk of the City of Burbank.

Approved as to form:
(Signed) RALPH W. SWAGLER, *City Attorney.*

[ITEM 82]

BOULDER CANYON PROJECT

CONTRACT FOR THE SALE OF ELECTRICAL ENERGY

THE UNITED STATES

AND

THE CITY OF GLENDALE

MAY 29, 1941

(I1r–1340)

1. THIS CONTRACT, made this 29th day of May, 1941, pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), and acts amendatory there-

of or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat. 1057), designated the Boulder Canyon Project Act (hereinafter referred to as the "Project Act"), and to the Act of Congress approved July 19, 1940 (54 Stat. 774), designated the Boulder Canyon Project Adjustment Act (hereinafter referred to as the "Adjustment Act"), between THE UNITED STATES OF AMERICA (hereinafter referred to as the "United States"), acting for this purpose by Harold L. Ickes, Secretary of the Interior (hereinafter referred to as the "Secretary"), and the CITY OF GLENDALE, a municipal corporation organized and existing under the laws of the State of California (hereinafter referred to as the "Municipality");

WITNESSETH:

EXPLANATORY RECITALS

2. WHEREAS, pursuant to the provisions of the Project Act, the United States entered into a certain contract designated as "Contract for Lease of Power Privilege", dated April 26, 1930, with severally, the City of Los Angeles and its Department of Water and Power and Southern California Edison Company Ltd. (hereinafter referred to as the "City" and "Edison Company", respectively), which contract was thereafter amended by two certain contracts between the same parties, dated May 28, 1930, and September 23, 1931, and was also modified by a certain contract between the United States and the City, dated July 6, 1938, and consented to by Edison Company, which Contract for Lease of Power Privilege, dated April 26, 1930, together with said amendatory and modifying contracts, are hereinafter collectively referred to as the "Lease", and under date of November 12, 1931, the parties hereto entered into a certain contract for electrical energy, which contract was amended under date of November 1, 1934, such contract as so amended and modified being hereinafter collectively referred to as the "Original Contract"; and

3. WHEREAS, by the terms of the Adjustment Act it is provided among other things, that the Secretary is authorized to negotiate for and enter into a contract for the termination of the existing Lease of the Builder Power Plant, and that the Secretary, in consideration of such termination of the lease, is authorized to designate the City and Edison Company as the agents of the United States for the operation of the Boulder Power Plant; and

4. WHEREAS, under date of May 29, 1941, the United States and the City and Edison Company (hereinafter collectively referred to as "Operating Agents") have executed a contract designated "Contract for the Operation of Boulder Power Plant", a copy of which said contract is attached hereto, marked "Exhibit 1"; and

5. WHEREAS, under date of May 20, 1941, the Secretary approved and promulgated "General Regulations for Generation and Sale of Power in Accord-

ance with the Boulder Canyon Project Adjustment Act," a copy of which is attached hereto, marked "Exhibit 2"; and

6. WHEREAS, the State of Nevada, the cities of Burbank, Glendale and Pasadena (hereinafter referred to as "the Municipalities") and the City have made a joint request on the United States that the provisions of Article 9 (b) hereof be incorporated as a part of each of the contracts, under the Adjustment Act, for the sale of electrical energy by the United States to the State of Nevada, the Municipalities and the City, respectively;

7. NOW, THEREFORE, in consideration of the provisions, covenants and contions herein contained, the parties hereto agree as follows, to wit:

REGULATIONS AND AGENCY CONTRACT

8. (a) This contract is subject to all the terms and provisions of Exhibit 2 hereof which is hereby made a part hereof as fully and completely as though set out herein at length, and this contract is subject to such other rules and regulations as hereafter may be promulgated by the Secretary pursuant to law and to Article 27 of Exhibit 2 hereof.

(b) The Municipality hereby consents that the United States shall, and the United States agrees that it shall, cause the energy agreed to be delivered hereunder to be generated and delivered in accordance with the provisions of Exhibit 1; and the parties hereto agree that the rights and obligations of the Municipality under this contract shall be controlled by the provisions of Exhibit 1 to the extent that such provisions are applicable to the Municipality as an allottee or contractor for electrical energy; provided, however, that in the event that such Exhibit 1 shall be terminated as to either or both of the Operating Agents therein named, the United States thereafter shall itself generate and deliver the energy agreed by the United States to be generated and delivered through the agent or agents as to which said Exhibit 1 shall have been terminated.

DELIVERY OF ENERGY

9. (a) The United States agrees to deliver at transmission voltage at Boulder Power Plant, and the Municipality agrees to take and/or pay for, electrical energy in accordance with the provisions of Article 8 hereof, for the period from the effective date of this contract to May 31, 1987, inclusive, in accordance with the allocation of energy contained in Exhibit 2.

(b) From the effective date of this contract and until Section G-3 has been placed in operation, Section G-1 shall be used for the service of the City, the Municipalities, the United States, the State of Nevada and such resale consumers of energy allocated to but not taken by The Metropolitan Water District of Southern California as are now served by Section G-1.

After said Section G-3 has been placed in operation, said Section G-1 shall be used solely for the service of the City and the Municipalities and the United States, and said Section G-3 shall be used solely for the service of the City and the United States, except that the States of Nevada and Arizona shall be entitled to generation of electrical energy by means of said Section G-3 up to but not exceeding a combined demand of 44,000 kilowatts, and such resale consumers shall be entitled to generation of electrical energy by means of said Section G-3 up to but not exceeding a combined demand of 6,000 kilowatts plus such portion of said 44,000 kilowatts as is not in use or required by the States; provided, that such resale consumers shall not be entitled to take in excess of 70,000,000 kilowatt hours of electrical energy in any one year of operation.

The fact that energy generated by means of Section G-3 may in fact reach any of said Municipalities, shall not be deemed to be in violation of the foregoing provisions.

The foregoing provisions of this Article 9 (b) relate only to operating conditions, and are not to be construed as an agreement, contemplated by Article 18 of Exhibit 2, relating to or affecting in any way the apportionment of generating charges. Notwithstanding the operating conditions provided for in this Article 9 (b), generating charges for Sections G-1 and G-3 shall be considered as charges for a single section and shall be apportioned in accordance with the provisions of Article 18 of Exhibit 2.

DELIVERY OF WATER FOR GENERATION OF ELECTRICAL ENERGY

10. (a) Subject to:

(i) the statutory requirement that Boulder Dam and the reservoir created thereby shall be used: First, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of perfected rights mentioned in Section 6 of the Project Act; and third, for power; and

(ii) the further statutory requirement that this contract is made upon the express condition and with the express covenant that the rights of the Municipality, as a contractor for electrical energy, to the use of the waters of the Colorado River, or its tributaries, shall be subject to and controlled by the Colorado River Compact;

the United States will deliver to the Municipality energy in the manner required by this contract, in the quantity to which the Municipality is entitled hereunder, and in accordance with the Municipality's load requirements.

(b) The United States reserves the right temporarily to discontinue or reduce the delivery of water for the generation of electrical energy at any time for the purpose of maintenance, repairs and/or replacements, or installation of equipment, at the Project, and for investigations and inspections necessary thereto; provided, however, that the United States shall, except in case of emergency, give to the Municipality reasonable notice in advance of such temporary discontinuance or reduction, and that the United States shall make such inspections and perform such maintenance and repair work, after consultation

with the Municipality, at such times and in such manner as to cause the least inconvenience to the Municipality, and that the United States shall prosecute such work with diligence, and, without unnecessary delay, resume delivery of water so discontinued or reduced.

(c) Should the delivery of water, for any reason or cause, other than any act or omission of the Municipality, be discontinued or reduced below the amount required for the generation of firm energy in accordance with the provisions of this contract, the total number of hours of such discontinuance or reduction in any year shall be determined by taking the sum of the number of hours during which the delivery of water is totally discontinued, plus the product of the number of hours during which the delivery of water is partially reduced and the percentage of said partial reduction below the actual quantity of water required for generation of firm energy. Total or partial reductions in the delivery of water which do not reduce the power output below the amount required at the time for generation of firm energy will not be considered in determining the total hours of discontinuance in any year. The minimum annual payment specified in Article 14 hereof shall be reduced by the ratio that the total number of hours of such discontinuance bears to eight thousand seven hundred sixty (8,760).

(d) In no event shall any liability accrue against the United States, its officers, agents and/or employees, for any damage, direct or indirect, airsing on account of drought, hostile diversion, Act of God, or the public enemy, or other similar cause; nevertheless interruptions in delivery of water occasioned by such causes shall be governed as provided in this Article 10. In the event of shortage of electrical energy at Boulder Power Plant due to shortage of water, the available electrical energy shall be prorated among all allottees concerned, on the basis of their respective obligations to take and/or pay for firm energy in the year of operation in which the shortage occurs.

MEASUREMENT OF ENERGY

11. All electrical energy shall be measured at generator voltage in combination with energy delivered to the City. Suitable correction shall be made in the amounts of energy as measured at generator voltage to cover step-up transformer losses. Suitable metering equipment, satisfactory to the Secretary, for measuring the energy actually delivered to the Municipality shall be provided, as agreed to by the City and the Municipality, and suitable correction shall be made to cover transmission line and transformer losses to determine the amount of energy delivered to the Municipality at transmission voltage at Boulder Power Plant. The Secretary's determination of said amount shall be conclusive. The electrical energy delivered hereunder during any period in which the meters furnished to measure such electrical energy fail to register shall, for billing purposes, be estimated from the best information available. The testing of meters

and calibration of testing equipment shall be in accordance with Article 19 of Exhibit 1. If said exhibit should be terminated the same provisions shall apply as nearly as may be.

ENERGY RATES AND GENERATING CHARGES

12. The rates and charges to be paid by the Municipality for electrical energy under this contract shall be in accordance with those specified in Exhibit 2.

BILLING AND PAYMENTS

13. (a) The Municipality shall pay monthly for electrical energy and for the generation thereof in accordance with the energy rates and generating charges specified in Exhibit 2. The energy bill for each month shall be computed at the rate for firm energy in effect when such energy was taken on the basis of the actual amount of energy used during such month; provided, however, that the bill for energy for the month of May of each year shall not be less than the difference between the minimum annual energy paymnt, as provided in Article 14 hereof, and the sum of the amounts charged for firm energy during the preceding eleven months. The United States will submit bills to the Municipality by the tenth of each month immediately following the month during which the energy was generated, and payments shall be due on the first day of the month immediately succeeding. If such charges (less proper and applicable credits) are not paid when due an interest charge of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional interest charge of one per centum (1%) of the principal sum unpaid shall be added on the first day of each succeeding calendar month until the amount due, including such interest, is paid in full, but nothing contained in this article shall be construed as in any manner abridging, limiting, or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have.

(b) In accordance with the provisions of Section 4 (b) of the Adjustment Act, in the event payments to the States of Arizona and Nevada, or either of them, under Section 2 (c) of the Adjustment Act, shall be reduced by reason of the collection of taxes mentioned in said section, adjustments shall be made, from time to time, with each allottee which shall have paid any such taxes, by credits or otherwise, for that proportion of the amount of such reductions which the amount of the payments of such taxes by such allottee bears to the total amount of such taxes collected.

MINIMUM ANNUAL PAYMENTS

14. The minimum quantity of firm energy which the Municipality shall take and/or pay for at firm energy rates in each year of operation under the terms

of this contract shall be 1.8475 per centum of all firm energy as defined in Article 3 of Exhibit 2. The minimum annual energy payment shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article 10 hereof.

CONTINGENT ON FINAL EFFECTIVENESS OF ADJUSTMENT ACT

15. This contract shall not become effective unless and until the Adjustment Act shall have taken effect for all purposes pursuant to the provisions of Section 10 thereof, but thereupon this contract shall be fully effective and binding upon the parties hereto as of midnight, Pacific Standard Time, on the last day of the calendar month in which the Adjustment Act shall have become fully effective. The original contract between the parties hereto shall terminate as of such effective date.

If the Adjustment Act shall not have taken effect for all purposes prior to June 1, 1941, this contract shall be null, void and of no force or effect.

DURATION OF CONTRACT

16. This contract shall remain in effect to and including May 31, 1987, unless sooner terminated as elsewhere herein provided. The Municipality, if this contract has not been terminated prior to said date, shall be entitled to a renewal hereof upon such terms and conditions as may be authorized or required under the then existing laws and regulations, unless the property of the Municipality dependent for its usefulness on a continuation of this contract be purchased or acquired, and the Municipality be compensated for damages to its property, used and useful in the transmission and distribution of such electrical energy and not taken, resulting from the termination of the supply.

NO ENERGY TO BE DELIVERED WITHOUT PAYMENT

17. Unless an extension of time for payment has been first obtained from the Secretary, in writing, no energy shall be generated for, or delivered to, the Municipality if it shall be in arrears for more than twelve (12) months in the payment of any charge due to the United States hereunder.

CONTRACT MAY BE TERMINATED IN CASE OF DEFAULT IN PAYMENT

18. If the Municipality shall be in arrears for more than twelve (12) months in the payment of any charge, including interest, due to the United States hereunder, and shall not have obtained an extension of time from the Secretary for the payment thereof, or, if such extension be obtained, has not made such payment within the time as extended, then the Secretary shall have the

right forthwith upon written notice to the Municipality to terminate this contract and dispose of the energy herein allocated to the Municipality as he may see fit; provided, he shall first give opportunity to the City to contract on terms and conditions to be prescribed by the Secretary, for such energy, and provided further, that such disposition shall be subject to the condition that the Municipality shall have the right at any time within four (4) years from date of the first of the defaults for which the contract is terminated, to become reinstated hereunder by payment to the United States of all arrearages including interest, if any, together with any and all loss incurred by the United States by reason of such termination. Nothing contained in this contract shall relieve the Municipality from the obligation to make the United States whole, for the period of this contract, for all loss and/or damage occasioned by the failure of the Municipality to take and/or pay for energy as provided in this contract.

ACCESS TO BOOKS AND RECORDS

19. The Secretary or his duly authorized representatives shall have free access at all reasonable times to the books and records of the Municipality relating to the transmission and disposal of electrical energy hereunder, with the right at any time during office hours to make copies of or from the same.

USE OF PUBLIC AND RESERVED LANDS OF THE UNITED STATES

20. The use is authorized of such public and reserved lands of the United States as may be necessary or convenient for the construction, operation and maintenance of main transmission lines, to transmit electrical energy generated at Boulder Dam, together with the use of such public and reserved lands of the United States as may be designated by the Secretary, from time to time, for camp sites, residences for employees, warehouses and other uses incident to the operation and maintenance of such main transmission lines.

MODIFICATIONS

21. Any modification, extension or waiver by the Secretary, subsequent to May 31, 1941, of any of the terms, provisions or requirements of any regulation or contract, promulgated or executed subsequent to May 19, 1941, for the benefit of any one or more of the allottees shall not be denied to the Municipality.

DISPUTES AND DISAGREEMENTS

22. Disputes or disagreements between the United States and the Municipality as to the interpretation or performance of the provisions of this contract

shall be determined either by arbitration or court proceedings. If in any such arbitration or court proceedings or otherwise any sum or amount paid by the Municipality on the demand or bill of the United States under this contract shall be held not to have been due or owing, payment shall not be deemed to have been voluntary, and such sum or amount shall be refunded. Whenever a controversy arises out of this contract, and the disputants agree to submit the matter to arbitration the Secretary shall name one arbitrator and the Municipality shall name one arbitrator, and the two arbitrators thus chosen shall select a third arbitrator, but in the event of their failure to name such third aribitrator within five days after their first meeting, such third arbitrator shall be named by the Chief Justice of the Supreme Court of the United States. The decision of any two of such arbitrators shall be a valid award of the arbitrators, and shall be final and binding as to the parties hereto.

PRIORITY OF CLAIMS OF THE UNITED STATES

23. Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured.

TITLE TO REMAIN IN UNITED STATES

24. The title to Boulder Dam and Reservoir, Boulder Power Plant, and incidental works, including generating machinery and equipment, shall forever remain in the United States.

EFFECT OF WAIVER OF BREACH OF CONTRACT

25. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any provision hereof, or of any other subsequent breach of any provision hereof.

TRANSFER OF INTEREST IN CONTRACT

26. No voluntary transfer of this contract, or of the rights of the Municipality hereunder, shall be made without the written approval of the Secretary; and any successor or assign of the rights of the Municipality, whether by voluntary transfer, judicial sale, trustee's sale, or otherwise, shall be subject to all the conditions of the Project Act as modified by the Adjustment Act, and of the Adjustment Act, and also subject to all the provisions and conditions of this contract to the same extent as though such successor or assign were the original contractor hereunder; provided, that the execution of a mortgage or trust deed, or judicial or trustee's sale made thereunder, shall not be deemed a voluntary transfer within the meaning of this Article.

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TRANSMISSION

27. The City shall continue to transmit over its main transmission line constructed for carrying Boulder Canyon energy all such energy allocated to, and used by, the City of Burbank, the City of Glendale, and the City of Pasadena, severally, in accordance with contracts between the City and each of said municipalities, made pursuant to Section 5 (d) of the Project Act, as said contracts now exist or as they may be hereafter modified or amended; and accordingly the delivery of energy provided for herein shall be made by the United States to the City for the Municipality.

NOTICES

28. (a) Any notice, demand or request required or authorized by this contract to be given or made to or upon the United States shall be delivered, or mailed postage prepaid, to the Director of Power, United States Bureau of Reclamation, Boulder City, Nevada, except where, by the terms hereof, the same is to be given or made to or upon the Secretary, in which event it shall be delivered, or mailed postage prepaid, to the Secretary, at Washington, D. C.

(b) Any notice, demand or request required or authorized by this contract to be given or made to or upon the Municipality shall be delivered, or mailed postage prepaid, to the City Manager of the City of Glendale, Glendale, California.

(c) The designation of any person specified in this article or in any such request for notice, or the address of any such person, may be changed at any time by notice given in the same manner as provided in this article for other notices.

CONTRACT CONTINGENT UPON APPROPRIATIONS

29. This contract is subject to appropriations being made by Congress from time to time of money sufficient to make all payments and to provide for the doing and performance of all things on the part of the United States to be done and performed under the terms hereof, and to there being sufficient money available in the Colorado River Dam fund for such purposes. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient money not being so appropriated, or on account of there not being sufficient money in the Colorado River Dam fund for such purposes.

OFFICIALS NOT TO BENEFIT

30. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise

herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By HAROLD L. ICKES,
Secretary of the Interior.

CITY OF GLENDALE,
By ARCHIE L. WALTER, *Mayor.*

[SEAL]

Attest:
(Signed) G. E. CHAPMAN,
City Clerk of the City of Glendale.

Approved as to form:
(Signed) AUBREY N. IRWIN, *City Attorney.*
5/27/1941

I hereby certify that adequate provision has been made to pay the estimated expense to be incurred under the foregoing contract.

CITY OF GLENDALE,
By A. H. HOAK, *City Controller.*
By C. C. SHERROD, *Asst. Controller.*

[ITEM 83]

BOULDER CANYON PROJECT

CONTRACT FOR THE SALE OF ELECTRICAL ENERGY

THE UNITED STATES

AND

THE NEVADA-CALIFORNIA ELECTRIC CORPORATION

MAY 29, 1941

(I1r–1341)

1. THIS CONTRACT, made this 29th day of May, 1941, pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress

approved December 21, 1928 (45 Stat. 1057), designated the Boulder Canyon Project Act (hereinafter referred to as the "Project Act"), and to the Act of Congress approved July 19, 1940 (54 Stat. 774), designated the Boulder Canyon Project Adjustment Act (hereinafter referred to as the "Adjustment Act"), between THE UNITED STATES OF AMERICA (hereinafter referred to as the "United States"), acting for this purpose by Harold L. Ickes, Secretary of the Interior hereinafter referred to as the "Secretary"), and THE NEVADA-CALIFORNIA ELECTRIC CORPORATION, a corporation organized and existing under the laws of the State of Delaware (hereinafter referred to as the "Corporation");

WITNESSETH THAT:

EXPLANATORY RECITALS

2. WHEREAS, pursuant to the provisions of the Project Act, the United States entered into a certain contract designated as "Contract for Lease of Power Privilege", dated April 26, 1930, with severally, The City of Los Angeles and its Department of Water and Power (hereinafter collectively referred to as the "City") and Southern California Edison Company Ltd. (hereinafter referred to as "Edison Company") which contract was thereafter amended by two certain contracts between the same parties, dated May 28, 1930, and September 23, 1931, and was also modified by a certain contract between the United States and the City, dated July 6, 1938, and consented to by Edison Company, which Contract for Lease of Power Privilege, dated April 26, 1930, together with said amendatory and modifying contracts, are hereinafter collectively referred to as the "Lease"; and

3. WHEREAS, under date of November 5th, 1931, the United States and The Southern Sierras Power Company entered into a certain contract for electrical energy, which said contract has been assigned to the Corporation; and is hereinafter referred to as the "Original Contract"; and

4. WHEREAS, by the terms of the Adjustment Act it is provided, among other things, that the Secretary is authorized to negotiate for and enter into a contract for the termination of the existing Lease of the Boulder Power Plan, and that the Secretary, in consideration of such termination of the Lease, is authorized to designate the City and Edison Company as the agents of the United States for the operation of the Boulder Power Plant; and

5. WHEREAS, under date of May 29, 1941, the United States and the City and Edison Company (hereinafter collectively referred to as "Operating Agents") have executed a contract designated "Contract for the Operation of Boulder Power Plant", a copy of which said contract is attached hereto, marked "Exhibit 1"; and

6. WHEREAS, under date of May 20, 1941, the Secretary approved and promulgated "General Regulations for Generation and Sale of Power in Accord-

ance with the Boulder Canyon Project Adjustment Act," a copy of which is attached hereto, marked "Exhibit 2";

7. NOW, THEREFORE, in consideration of the provisions, covenants and conditions herein contained, the parties hereto agree as follows, to wit:

REGULATIONS AND AGENCY CONTRACT

8. (a) This contract is subject to all the terms and provisions of Exhibit 2 hereof which is hereby made a part hereof as fully and completely as though set out herein at length, and this contract is subject to such other rules and regulations as hereafter may be promulgated by the Secretary pursuant to law and to Article 27 of Exhibit 2 hereof.

(b) The Corporation hereby consents that the United States shall, and the United States agrees that it shall, cause the energy agreed to be delivered hereunder to be generated and delivered in accordance with the provisions of Exhibit 1; and the parties hereto agree that the rights and obligations of the Corporation under this contract shall be controlled by the provisions of Exhibit 1 to the extent that such provisions are applicable to the Corporation as an allottee or contractor for electrical energy; provided, however, that in the event that such Exhibit 1 shall be terminated as to either or both of the Operating Agents therein named, the United States thereafter shall itself generate and deliver the energy agreed by the United States to be generated and delivered through the agent or agents as to which said Exhibit 1 shall have been terminated.

DELIVERY OF ENERGY

9. The United States agrees to deliver at transmission voltage at Boulder Power Plant, and the Corporation agrees to take and/or pay for, electrical energy in accordance with the provisions of Article 8 hereof, for the period from the effective date of this contract to May 31, 1987, inclusive, in accordance with the allocation of energy contained in Exhibit 2.

DELIVERY OF WATER FOR GENERATION OF ELECTRICAL ENERGY

10. (a) Subject to:

(i) the statutory requirement that Boulder Dam and the reservoir created thereby shall be used: First, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of perfected rights mentioned in Section 6 of the Project Act; and third, for power; and

(ii) the further statutory requirement that this contract is made upon the express condition and with the express covenant that the rights of the Corporation, as a contractor for electrical energy, to the use of the waters of the Colorado River, or its tributaries, shall be subject to and controlled by the Colorado River Compact;

the United States will deliver to the Corporation energy in the manner required by this contract, in the quantity to which the Corporation is entitled hereunder, and in accordance with the Corporation's load requirements.

(b) The United States reserves the right temporarily to discontinue or reduce the delivery of water for the generation of electrical energy at any time for the purpose of maintenance, repairs and/or replacements, or installation of equipment, at the Project, and for investigations and inspections necessary thereto; provided, however that the United States shall, except in case of emergency, give to the Corporation reasonable notice in advance of such temporary discontinuance or reduction, and that the United States shall make such inspections and perform such maintenance and repair work, after consultation with the Corporation, at such times and in such manner as to cause the least inconvenience to the Corporation and that the United States shall prosecute such work with diligence, and, without unnecessary delay, resume delivery of water so discontinued or reduced.

(c) Should the delivery of water, for any reason or cause, other than any act or omission of the Corporation be discontinued or reduced below the amount required for the generation of firm energy in accordance with the provisions of this contract, the total number of hours of such discontinuance or reduction in any year shall be determined by taking the sum of the number of hours during which the delivery of water is totally discontinued, plus the product of the number of hours during which the delivery of water is partially reduced and the percentage of said partial reduction below the actual quantity of water required for generation of firm energy. Total or partial reductions in the delivery of water which do not reduce the power output below the amount required at the time for generation of firm energy, or below the amount required at the time for the Corporation's load requirements, will not be considered in determining the total hours of discontinuance in any year. The minimum annual payment specified in Article 14 hereof shall be reduced by the ratio that the total number of hours of such discontinuance bears to eight thousand seven hundred sixty (8,760).

(d) In no event shall any liability accrue against the United States, its officers, agents and/or employees, for any damage, direct or indirect, arising on account of drought, hostile diversion, Act of God, or the public enemy, or other similar cause; nevertheless interruptions in delivery of water occasioned by such causes shall be governed as provided in this Article 10. In the event of shortage of electrical energy at Boulder Power Plant due to shortage of water, the available electrical energy shall be prorated among all allottees concerned, on the basis of their respective obligations to take and/or pay for firm energy in the year of operation in which the shortage occurs.

MEASUREMENT OF ENERGY

11. All electrical energy shall be measured at generator voltage. Suitable correction shall be made in the amounts of energy as measured at generator voltage to cover step-up transformer losses. The testing of meters and calibration

of testing equipment shall be in accordance with Article 19 of Exhibit 1. If said Exhibit should be terminated the same provisions shall apply as nearly as may be. The electrical energy delivered hereunder during any period in which the meters furnished to measure such electrical energy fail to register shall, for billing purposes, be estimated from the best information available.

ENERGY RATES AND GENERATING CHARGES

12. The rates and charges to be paid by the Corporation for electrical energy under this contract shall be in accordance with those specified in Exhibit 2. The right of the Corporation to take energy at the rate for secondary energy shall not be impaired by reason of the fact that another allottee has not discharged its obligation to pay for energy at the firm rate.

BILLING AND PAYMENTS

13. (a) The Corporation shall pay monthly for electrical energy and for the generation thereof in accordance with the energy rates and generating charges specified in Exhibit 2. When energy taken in any month is not in excess of one-twelfth (1/12) of the minimum annual obligation to take and/or pay for firm energy, the energy bill for such month shall be computed at the rate for firm energy in effect when such energy was taken on the basis of the actual amount of energy used during such month. All energy used during any month in excess of one-twelfth (1/12) of such minimum annual obligation for firm energy shall be paid for at the rate for secondary energy in effect when such energy was taken; provided, however, that the secondary rate shall not apply to any energy taken during any month unless and until an amount of energy equivalent to one-twelfth (1/12) of such minimum annual obligation for firm energy has been taken for all months, beginning with the month of June immediately preceding; provided, however, that the bill for energy for the month of May of each year shall not be less than the difference between the minimum annual energy payment, as provided in Article 14 hereof, and the sum of the amounts charged for firm energy during the preceding eleven months, but in no event shall the sum of the amounts charged for energy for any year of operation exceed the product of the minimum quantity of firm energy which the Corporation is obligated to take and/or pay for in such year of operation and the firm energy rate; plus the product of the quantity of energy taken by the Corporation in such year of operation in excess of its firm energy obligation and the secondary energy rate. The United States will submit bills to the Corporation by the tenth of each month immediately following the month during which the energy was generated, and payments shall be due on the first day of the month immediately succeeding. If such charges (less proper and applicable credits) are not paid when due an interest charge of one per centum (1%) of the

amount unpaid shall be added thereto, and thereafter an additional interest charge of one per centum (1%) of the principal sum unpaid shall be added on the first day of each succeeding calendar month until the amount due, including such interest, is paid in full, but nothing contained in this article shall be construed as in any manner abridging, limiting, or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have.

(b) In accordance with the provisions of Section 4 (b) of the Adjustment Act, in the event payments to the States of Arizona and Nevada, or either of them, under Section 2 (c) of the Adjustment Act, shall be reduced by reason of the collection of taxes mentioned in said Section, adjustments shall be made, from time to time, with each allottee which shall have paid any such taxes, by credits or otherwise, for that proportion of the amount of such reductions which the amount of the payments of such taxes by such allottee bears to the total amount of such taxes collected.

MINIMUM ANNUAL PAYMENTS

14. The minimum quantity of firm energy which the Corporation shall take and/or pay for at firm energy rates in each year of operation under the terms of this contract shall be 2.6439 per centum of all firm energy as defined in Article 3 of Exhibit 2; except as reduced by 5% of the amounts of firm energy contracted for or taken (which ever is the greater) by others as provided in Article 4 (b) of Exhibit 2. The minimum annual energy payment shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article 10 hereof.

CONTINGENT ON FINAL EFFECTIVENESS OF ADJUSTMENT ACT; AND NON-WAIVER OF CLAIMS

15. This contract shall not become effective unless and until the Adjustment Act shall have taken effect for all purposes pursuant to the provisions of Section 10 thereof, but thereupon this contract shall be fully effective and binding upon the parties hereto as of midnight, Pacific Standard Time, on the last day of the calendar month in which the Adjustment Act shall have become fully effective. The original contract between the parties hereto shall terminate as of such effective date.

It is understood by both parties hereto (1) that the Corporation claims that it was and is entitled to an absorption period for the three years of operation commencing June 1, 1940, and that the United States has denied to the Corporation such an absorption period; and (2) that the Corporation claims that for all energy taken by it under the Supplemental Contract for Lease of Power Privileges between the parties hereto dated July 22, 1937, it was and is obli-

gated to pay only at the rate for secondary energy, which claim is pending in the Department of the Interior for decision. It is understood and agreed by the parties hereto that neither the termination of the original contract between the parties hereto, nor the termination of the contract dated November 12, 1931, between the United States and Los Angeles Gas and Electric Corporation and assigned to the City, nor the termination of the Lease, nor anything contained in this contract or in the "Contract for the Operation of Boulder Power Plant", referred to in Article 5 hereof, or in the General Regulations referred to in Article 6 hereof, shall terminate, modify or otherwise affect the relative rights and obligations of the parties hereto, with regard to the claims referred to in "(1)" and "(2)" of this paragraph, as they existed on May 19, 1941; and it is further agreed that the rights and obligations of the parties hereto under this contract shall be conformed to said relative rights and obligations as finally determined; provided, that pending determination of each of said claims referred to in "(1)" and "(2)" above, payments by the Corporation to the United States shall be in accordance with the departmental decision on each of said claims, and in accordance with the provisions of this contract, but without prejudice to the rights of the Corporation in said determinations; and provided further, that the Corporation shall be estopped from asserting the claim referred to in "(1)" above, and the denial thereof by the United States shall be final, conclusive and binding on the Corporation, if court proceedings with respect to it are not commenced on or before May 31, 1942; and provided further, that the Corporation shall be estopped from asserting the claim referred to in "(2)" above, and the departmental decision thereon shall be final, conclusive and binding on the Corporation, if (in the event said departmental decision be adverse to the Corporation) arbitration or court proceedings with respect to it are not commenced within one year from the date of said departmental decision.

The contract between the United States and Los Angeles Gas and Electric Corporation, dated November 12, 1931, and assigned by said Corporation to the City, shall terminate as of such effective date: *Provided, however,* That neither such termination, nor termination of the original contract between the parties hereto, nor anything contained in this contract shall terminate, modify or otherwise affect the relative rights and obligations of the Corporation and the City, as they existed on May 19, 1941, with regard to generation of energy and generating charges in connection with Sections G-5, T-5 and C.F. The total generating charges, under the Adjustment Act, in connection with said sections shall be apportioned between the Corporation and the City in accordance with the determination of said relative rights. Pending said determination the corporation and the City shall each pay half of such generating charges, as computed under the Adjustment Act and Exhibit 2, but such payments shall be without prejudice to the rights and obligations of either in said determination.

If the Adjustment Act shall not have taken effect for all purposes prior to June 1, 1941, this contract shall be null, void and of no force or effect.

DURATION OF CONTRACT

16. This contract shall remain in effect to and including May 31, 1987, unless sooner terminated as elsewhere herein provided. The Corporation, if this contract has not been terminated prior to said date, shall be entitled to a renewal hereof upon such terms and conditions as may be authorized or required under the then existing laws and regulations, unless the property of the Corporation dependent for its usefulness on a continuation of this contract be purchased or acquired, and the Corporation be compensated for damages to its property, used and useful in the transmission and distribution of such electrical energy and not taken, resulting from the termination of the supply.

NO ENERGY TO BE DELIVERED WITHOUT PAYMENT

17. Unless an extension of time for payment has been first obtained from the Secretary, in writing, no energy shall be generated for, or delivered to, the Corporation if it shall be in arrears for more than twelve (12) months in the payment of any charge due to the United States hereunder.

CONTRACT MAY BE TERMINATED IN CASE OF DEFAULT IN PAYMENT

18. If the Corporation shall be in arrears for more than twelve (12) months in the payment of any charge, including interest, due to the United States hereunder, and shall not have obtained an extension of time from the Secretary for the payment thereof, or, if such extension be obtained, has not made such payment within the time as extended, then the Secretary shall have the right forthwith upon written notice to the Corporation to terminate this contract and dispose of the energy herein allocated to the Corporation as he may see fit; provided, that such disposition shall be subject to the condition that the Corporation shall have the right at any time within four (4) years from date of the first of the defaults for which the contract is terminated, to become reinstated hereunder by payment to the United States of all arrearages including interest, if any, together with any and all loss incurred by the United States by reason of such termination. Nothing contained in this contract shall relieve the Corporation from the obligation to make the United States whole, for the period of this contract, for all loss and/or damage occasioned by the failure of the Corporation to take and/or pay for energy as provided in this contract.

ACCESS TO BOOKS AND RECORDS

19. The Secretary or his duly authorized representatives shall have free access at all reasonable times to the books and records of the Corporation relating to the transmission and disposal of electrical energy hereunder, with the right at any time during office hours to make copies of or from the same.

USE OF PUBLIC AND RESERVED LANDS OF THE UNITED STATES

20. The use is authorized of such public and reserved lands of the United States as may be necessary or convenient for the construction, operation and maintenance of main transmission lines, to transmit electrical energy generated at Boulder Dam, together with the use of such public and reserved lands of the United States as may be designated by the Secretary, from time to time, for camp sites, residences for employees, warehouses and other uses incident to the operation and maintenance of such main transmission lines.

MODIFICATIONS

21. Any modification, extension or waiver by the Secretary, subsequent to May 31, 1941, of any of the terms, provisions or requirements of any regulation or contract, promulgated or executed subsequent to May 19, 1941, for the benefit of any one or more of the allottees shall not be denied to the Corporation.

DISPUTES AND DISAGREEMENTS

22. Disputes or disagreements between the United States and the Corporation as to the interpretation or performance of the provisions of this contract shall be determined either by arbitration or court proceedings. If in any such arbitration or court proceedings or otherwise any sum or amount paid by the Corporation on the demand or bill of the United States under this contract shall be held not to have been due or owing, payment shall not be deemed to have been voluntary, and such sum or amount shall be refunded. Whenever a controversy arises out of this contract, and the disputants agree to submit the matter to arbitration the Secretary shall name one arbitrator and the Corporation shall name one arbitrator, and the two arbitrators thus chosen shall select a third arbitrator, but in the event of their failure to name such third arbitrator within five days after their first meeting, such third arbitrator shall be named by the Chief Justice of the Supreme Court of the United States. The decision of any two of such arbitrators shall be a valid award of the arbitrators, and shall be final and binding as to the parties hereto.

PRIORITY OF CLAIMS OF THE UNITED STATES

23. Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured.

TITLE TO REMAIN IN UNITED STATES

24. The title to Boulder Dam and reservoir, Boulder Power Plant, and incidental works, including generating machinery and equipment, shall forever remain in the United States.

EFFECT OF WAIVER OF BREACH OF CONTRACT

25. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any provision hereof, or of any other or subsequent breach of any provision hereof.

TRANSFER OF INTEREST IN CONTRACT

26. No voluntary transfer of this contract, or of the rights of the Corporation hereunder, shall be made without the written approval of the Secretary; and any successor or assign of the rights of the Corporation, whether by voluntary transfer, judicial sale, trustee's sale, or otherwise, shall be subject to all the conditions of the Project Act as modified by the Adjustment Act, and of the Adjustment Act, and also subject to all the provisions and conditions of this contract to the same extent as though such successor or assign were the original contractor hereunder; provided, that the execution of a mortgage or trust deed, or judicial or trustee's sale made thereunder, shall not be deemed a voluntary transfer within the meaning of this Article.

NOTICES

27. (a) Any notice, demand or request required or authorized by this contract to be given or made to or upon the United States shall be delivered, or mailed postage prepaid, to the Director of Power, United States Bureau of Reclamation, Boulder City, Nevada, except where, by the terms hereof, the same is to be given or made to or upon the Secretary, in which event it shall be delivered, or mailed postage prepaid, to the Secretary, at Washington, D. C.

(b) Any notice, demand or request required or authorized by this contract to be given or made to or upon the Corporation shall be delivered, or mailed postage prepaid, to the General Manager of the Nevada-California Electric Corporation, Riverside, California.

(c) The designation of any person specified in this article or in any such request for notice, or the address of any such person, may be changed at any time by notice given in the same manner as provided in this article for other notices.

CONTRACT CONTINGENT UPON APPROPRIATIONS

28. This contract is subject to appropriations being made by Congress from time to time of money sufficient to make all payments and to provide for the doing and performance of all things on the part of the United States to be done and performed under the terms hereof, and to there being sufficient money available in the Colorado River Dam fund for such purposes. No liability shall accrue against the United States, its officers, agents or employees, by reason of

sufficient money not being so appropriated, or on account of there not being sufficient money in the Colorado River Dam fund for such purposes.

OFFICIALS NOT TO BENEFIT

29. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
(Signed) By HAROLD L. ICKES,
Secretary of the Interior.

THE NEVADA-CALIFORNIA ELECTRIC CORPORATION,
(Signed) By LAURENCE C. PHIPPS, JR.,
Vice-President.

Attest:
D. L. KING, *Asst. Secretary.*

[ITEM 84]

BOULDER CANYON PROJECT

AGREEMENT ARRANGING POWER SUPPLY FOR DEFENSE PLANT CORPORATION

DEFENSE PLANT CORPORATION

AND SEVERALLY

THE UNITED STATES

THE CITY OF LOS ANGELES

SOUTHERN CALIFORNIA EDISON COMPANY LTD.

THE CALIFORNIA ELECTRIC POWER COMPANY

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

STATE OF NEVADA

MAY 9, 1942

(11r–1387)

1. THIS AGREEMENT, made this 9th day of May, 1942, between DEFENSE PLANT CORPORATION (hereinafter referred to as "Defense Plant"), a corporation created by Reconstruction Finance Corporation pursuant to Section 5d of the Reconstruction Finance Corporation Act, as amended, to aid the Government of the United States in its National Defense Program; and, severally, THE UNITED STATES OF AMERICA, hereinafter referred to as the "United States," acting for this purpose by Abe Fortas Acting Secretary of the Interior,

hereinafter referred to as the "Secretary;" THE CITY OF LOS ANGELES, a municipal corporation of the State of California, and its DEPARTMENT OF WATER AND POWER (said Department acting herein in the name of the City, but as principal in its own behalf as well as in behalf of the City, the term "City," as used herein, being deemed to include both The City of Los Angeles and its said Department of Water and Power); SOUTHERN CALIFORNIA EDISON COMPANY LTD., a private corporation organized and existing under the laws of the State of California (hereinatfer referred to as "Edison Company"); THE CALIFORNIA ELECTRIC POWER COMPANY, a private corporation organized and existing under the laws of the State of Delaware (hereinafter referred to as "California-Electric"); THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, a public corporation organized and existing under the laws of the State of California (hereinafter referred to as the "District"); and the STATE OF NEVADA, a body politic and corporate, and its COLORADO RIVER COMMISSION (said Commission acting in the name of the State, but as principal in its own behalf as well as in behalf of the State; the term "Nevada," as used in this contract, being deemed to be both the State of Nevada and its Colorado River Commission) acting in pursuance of an Act of the Legislature of the State of Nevada, entitled "An Act creating a commission to be known as the Colorado River Commission of Nevada, defining its powers and duties, and making an appropriation for the expenses thereof, and repealing all acts and parts of acts in conflict with this act," approved March 20, 1935, (Chapter 71, Stats. of Nevada, 1935), and acts amendatory thereof or supplementary thereto;

WITNESSETH THAT:

2. WHEREAS, Defense Plant is constructing a magnesium plant near Las Vegas, Nevada and will operate said plant, or have said plant operated for Defense Plant's account, for the purpose of producing metals necessary in the prosecution of war against the enemies of the Governmnt of the United States; and

3. WHEREAS, Defense Plant will require in the operation of said plant large quantities of electric energy, and desires to arrange for a supply of energy with a maximum demand of 196,000 kilowatts and in an amount of 1,206,000,000 kilowatt-hours in the year ending May 31, 1943, and in an amount of 1,500,000,000 kilowatt-hours in each of the two succeeding years, and also for an amount not exceeding 100,000,000 kilowatt-hours for testing and preliminary operation purposes in the year ending May 31, 1942; and

4. WHEREAS, a substantial part of said three-year power supply can be obtained from the Boulder Canyon Project (hereinafter referred to as the "Project"), and pursuant to laws relating to the national emergency said supply from said source could be made available to Defense Plant by a supply allocation or other appropriate order made by the Federal Government; and

5. WHEREAS, the United States and the affected allottees of Project power

are willing to arrange, without such allocation or other order, for supplying energy to Defense Plant in accordance with the terms and conditions of this agreement;

NOW, THEREFORE, in consideration of the provisions, covenants and conditions herein contained, the parties hereto agree as follows, to wit:

PART ONE

101. Concurrently herewith, the Secretary shall dispose of and sell to Defense Plant, and Defense Plant shall agree to take and/or pay for the following amounts of firm energy allotted to, but unused by, the District for the Project years of operation designated:

Year ending May 31, 1942 (for testing and preliminary operation purposes) such amount as may be required, not to exceed—	100,000,000 Kw-hrs.
Year ending May 31, 1943	1,100,000,000 Kw-hrs.
Year ending May 31, 1944	1,175,000,000 Kw-hrs.
Year ending May 31, 1945	1,100,000,000 Kw-hrs.

the proceeds of energy charges for such disposal, as received, to be credited on the District's obligation to take and/or pay for firm energy from the Project.

102. The energy rate charged to Defense Plant for the energy sold pursuant to Article 101, and credited to the District's obligation to take and/or pay for energy allotted to it, shall be the energy rate required to be paid by allottees for firm energy by the General Regulations for Generation and Sale of Power In Accordance With The Boulder Canyon Project Adjustment Act (hereinafter called the "Regulations"). The energy sold pursuant to Article 101 shall be generated, and the costs thereof shall be determined and distributed, in accordance with the terms and conditions of PART THREE. Defense Plant shall pay to the United States (1) the generating charges thus distributed and charged against Defense Plant for generating the energy sold pursuant to Article 101, (2) the generating charges related to Sections G-7 and T-7 during the period of segregation, following May 31, 1945, as provided in Article 305 and (3) the entire cost of Section T-7a as provided in Article 303.

103. In the contract of sale to Defense Plant it shall be provided that if in any year of operation in the three year period, June 1, 1942 to May 31, 1945, there is firm energy allotted to, but unused by, the District in excess of the amounts thereof heretofore sold by the Secretary to parties other than the District and the amounts thereof designated in Article 101, and if Defense Plant in its magnesium plant operations requires more energy than the total of the amounts of energy stated for the respective years in Articles 101 and 202, Defense Plant may at its option take all or any part of such excess energy allotted to, but unused by, the District at the rate provided in Article 102.

Defense Plant agrees that in the event it has any such requirement for more energy, it will, to the extent deemed practicable by Defense Plant considering among other things its requirements for generating capacity at sources other than the Project, meet such requirement by exercising its option under this article before meeting it from other sources of power.

104. Contingent on, and in consideration of, the contract of sale, concurrent herewith, between the Secretary and Defense Plant, the District agrees that it will so operate its aqueduct pumping and water supply system as (1) to leave unused by it, from its allocation of firm energy from the Project in the years designated in Article 101, in addition to the amounts thereof heretofore sold by the Secretary to parties other than the District, at least the respective amounts designated in Article 101, and (2) to leave unused by it all secondary energy and all unused States' energy, as contemplated by Article 13 (c) of its contract with the United States, dated May 29, 1941. The District further agrees that it will so operate its aqueduct pumping and water supply system that the maximum practicable amounts of generating capacity in the Boulder Power Plant and of such excess energy as is covered by Article 103 will be made available to Defense Plant, consistent with the proper operation of said pumping and water supply system as determined by the District.

105. By reason of Article 4 (b) (iv) of the Regulations, disposal by the Secretary of energy allotted to, but unused by, the District is subject to the proviso "that no disposition of such firm energy shall be made by the Secretary without first giving to the City, the Company [Edison Company] and The Nevada-California Electric Corporation [California-Electric] the opportunity to contract on equal terms and conditions, to be prescribed by the Secretary, for such energy, in the same proportion, and subject to the same rights with respect to proportions thereof not taken by others, as in the case of secondary energy." In the interest of expediting and simplifying the procurement of energy by Defense Plant, and without affecting in any way the provisions of Article 4 (b) (iv) of the Regulations as regards any other disposal of firm energy allotted to, but unused by, the District, the procedures and requirements of the above quoted portion of said Article 4 (b) (iv) are hereby dispensed with for the exclusive purposes of this agreement; and the City, Edison Company and California-Electric each hereby waives its rights under said Article 4 (b) (iv) in connection with disposal of any and all firm energy allotted to, but unused by, the District until but not beyond May 31, 1945, to the extent said energy is or may be disposed of to Defense Plant pursuant to this agreement.

106. The letter of the Secretary of the Interior to Edison Company, dated July 29, 1941, and Edison Company's reply, dated August 5, 1941, regarding energy allotted to, but unused by, the District, in connection with which letters the United States and Edison Company have taken different positions, are hereby cancelled and withdrawn; and the relation between the United

States and Edison Company shall be deemed the same as though said letters had never been written.

107. By the use of funds advanced as herein provided, and not otherwise, the District agrees to design, install, operate and maintain an overhead grounding system on all of its 230,000 volt transmission lines. Designs and specifications for the overhead grounding system shall be subject to the approval of the Bureau of Reclamation. The installation of the overhead grounding wires shall be made in accordance with a program mutually agreeable to the Bureau of Reclamation and the District. Defense Plant shall advance to the District a sum sufficient to pay the entire cost of designing, purchasing and installing such overhead grounding system, estimated at three hundred thousand dollars ($300,000). Further advances or payments to the District shall be made by Defense Plant, or the District shall return to Defense Plant balances of such advance or advances, to the end that the net amount received by the District from Defense Plant shall equal the installed cost of such overhead grounding system. Such cost shall include all direct cost of labor, materials, equipment charge, travel expense, engineering, stenographic and other costs directly chargeable and attributable to such installation. Such costs shall not include office rent, lights, heat or other general expense or overhead of the District's Los Angeles office. The overhead grounding system shall be and remain the property of the District and shall be operated and maintained by the District at its expense.

108. The District agrees that, during the period that the United States, under that certain contract between the United States and the District dated April 7, 1939 (I1r-712) shall retain the exclusive use and benefit of Unit No. 3 or Unit No. 4 in the Parker Power Plant, energy generated at said power plant and sold in accordance with said contract of April 7, 1939, as such contract now exists or as it may be amended by the parties thereto, may be transmitted by the United States over the District's existing transmission lines to any points upon said lines without cost to the United States. Connection with the District's lines for the purposes of such transmission shall be made only at substations or switching stations theretofore established by the District, and the design of such connections and protective works appurtenant thereto, shall be subject to the approval of the District. All such connections shall be made, and, at the termination of the right to maintain such connections, shall be removed, at the expense of the United States, provided that such expense shall not be met from the Colorado River Dam Fund. The right of the United States to transmit Parker energy under this article shall be in addition to the rights of the United States to transmit energy over the District's transmission lines pursuant to Article 9 (a) of the contract dated May 29, 1941, between the United States and the District and pursuant to the aforesaid contract, dated April 7, 1939, between the same parties. The right of the United States under this article to use transmission capacity of the District's transmission

lines shall be limited to such capacity thereof which for the time being may be in excess of the District's requirements, and requirements of consumers of firm energy from the Project allotted to the District and heretofore or hereafter sold for the credit of the District, and the use by the United States of such excess capacity at all times shall be subject to reasonable operating conditions fixed by the District. Nothing herein contained shall be construed as requiring the District to maintain or use its transmission lines in such manner as to provide any certain transmission capacity for the use of the United States and in no event shall any liability accrue against the District or any of its officers, agents or employees for any damage, direct or indirect, arising on account of any outage of the District's transmission lines due to Act of God, Government, the public enemy or other forces beyond the District's reasonable control.

PART TWO

201. Nevada hereby withdraws from the energy allocated to it for use in Nevada, effective June 1, 1943, 147,000,000 Kw-hrs. to be used annually in the two year period ending May 31, 1945 and, effective June 1, 1944, an additional amount of 82,000,000 Kw-hrs. to be used in the year ending May 31, 1945. The maximum demand in horsepower to be required in connection with said amounts hereby withdrawn is 39,000. Nevada also hereby gives notice of relinquishment of the said amounts of energy, with the stated maximum demand in horsepower to be required, said relinquishment to be effective at the close of the year ending May 31, 1945.

202. Nevada shall sell to Defense Plant, and Defense Plant shall buy, 147,000,000 Kw-hrs. to be taken and/or paid for annually in the two year period ending May 31, 1945, and an additional amount of 82,000,000 Kw-hrs. to be taken and/or paid for in the year ending May 31, 1945, at the energy rate required by the Regulations to be paid by allottees for firm energy, plus generating charges for the generation of said energy in accordance with the provisions of Part Three, plus a charge of five hundredths mill ($0.00005) per kilowatt-hour to meet the expenses of the Nevada Colorado River Commission.

203. In the interest of expediting and simplifying the procurement of energy by Defense Plant, and without affecting in any way the procedures and requirements of Article 4 (b) (iv) of the Regulations as regards any other withdrawal or relinquishment of energy by Nevada or the State of Arizona, this agreement, notwithstanding the provisions of said Article 4 (b) (iv), shall operate:

(a) As a waiver by the Secretary, City, Edison Company and California-Electric of the notice of withdrawal of energy stated in Article 201. required by Article 4 (b) (iv) of the Regulations;

(b) As an acceptance by the Secretary, City, Edison Company and California-Electric of the withdrawal of energy stated in Article 201;

(c) As an accepted and valid notice to the Secretary, City, Edison Company and California-Electric of relinquishment of the energy withdrawn and described in Article 201, the relinquishment to be effective at the close of the year ending May 31, 1945;

(d) As a waiver by the City, Edison Company and California-Electric of any claim for compensation for equipment directly or indirectly rendered idle, if any, by reason of the withdrawal of energy made by Article 201.

204. The operative effect given to this agreement by Article 203 as regards the matters of notice of withdrawal, notice of relinquishment and compensation for equipment rendered idle, if any, is exclusive to this agreement. As regards any other withdrawal of energy by Nevada or the State of Arizona said matters, as related to such other withdrawal, shall be governed by the Regulations and applicable contracts the same as though the withdrawal and relinquishment of energy made by this agreement had never been made.

PART THREE

301. In order to provide the additional generating capacity which will be required to generate energy for Defense Plant, and also to provide for standby service from the Edison Company under certain conditions, the Secretary will install in Boulder Power Plant the following principal items of equipment:

(a) Generating unit N-7 of 82,500 kilovolt-ampere capacity complete with all necessary generator voltage oil-circuit breakers, bus structure, and associated control, metering and relaying equipment;

(b) Transformer bank N-7-8 of 165,000 kilovolt-ampere capacity complete with all necessary high-voltage transmission facilities to the 230,000 volt switchyard of the District;

(c) An extension to the District's existing 230,000 volt switchyard complete with all oil-circuit breakers, disconnecting switches, overhead bus system and associated control and relaying equipment which will be required at the Boulder switchyard to serve the two transmission lines which will be used for transmitting power to the magnesium plant; and

(d) An interconnecting circuit from O. C. B. No. 3 in the Edison Company's 230,000 volt switchyard to the extension of the District's 230,000 volt switchyard complete with all necessary control and relaying equipment.

302. Main generating facilities for Unit N-7 shall be deemed additional equipment installed subject to the terms and conditions of this agreement. These main generating facilities for Unit N-7, which are understood and agreed to include in general all equipment and appurtenances shown under F. P. C. Account Nos. 323, 324 and 325, are hereby designated Section G-7.

303. Transforming and switching facilities for associated service with Section G-7 shall, except as hereinafter provided, be deemed additional equipment installed subject to the terms and conditions of this agreement. The transforming, transmission and switching facilities, which are understood and

agreed to include, in general, all equipment and appurtenances shown under F. P. C. Account Nos. 343 to 346, inclusive, are hereby designated Section T-7. This section shall include all transforming, transmission and switching facilities from the point of attachment of the transformers to the generator voltage bus, Section G-7, to the point of attachment of this equipment to the now existing Sections T-2 and T-6. All costs associated with the connecting of Section T-7 to Sections T-2 and T-6 for interconnected operation, shall be deemed costs chargeable to Section T-7. A portion of the extension of the 230,000 volt switchyard used to serve the District and other magnesium plant will require some construction and installations which will be usable only for service to the magnesium plant, and said portion may be removed or otherwise disposed of by the Secretary when no longer in his opinion required for such service. The portion of Section T-7 which may ultimately be removed is, for the purpose of this agreement, designated as Section T-7a and it consists of the following items:

3 230,000 volt oil circuit breakers
1 230,000 volt selector switch
3 230,000 volt disconnecting switches
1 230,000 volt switchyard bay consisting of structural steel, concrete foundations, oil piping, and overhead bus system complete with conductor, insulators, hardware, etc.

Miscellaneous items such as control equipment, relays, switchboard panels, control switches, control cables, etc., directly associated with the apparatus listed above.

The entire cost of Section T-7a shall be paid by Defense Plant and any net amount received when said section is ultimately salvaged by the Secretary shall be credited to Defense Plant. No replacement annuity component regarding Section T-7a shall be included in generating charges, and any replacements that may be required during the period when equipment in Section T-7a is being used to supply service to the magnesium plant shall be at the sole cost and expense of Defense Plant. No part of the cost of Section T-7a shall be charged to the Colorado River Dam fund unless and until a further agreement so providing for such charge is made with the parties concerned.

304. The energy procured by Defense Plant pursuant to Parts One and Two shall be generated on Sections G-2 and G-7, except for such time or times as other generating capacity is utilized under Article 306. For the year ending May 31, 1942 the generating charge to Defense Plant for any energy generated for it on Section G-2 shall be at the rate of eight hundred thirty-seven thousandths mill ($0.000837) per kilowatt-hour, and the energy so generated shall be deemed kilowatt-hours generated for the District, so far as apportionment and distribution of generating charges under the Regulations and existing contracts made pursuant thereto are concerned. The revenues from the generating charges for the year ending May 31, 1942 thus made to Defense Plant shall be credited to the account of the District. During the three year period ending May 31, 1945, Sections G-2 and G-7 shall be con-

sidered as one section and during the same period Sections T-2 and T-7 shall be considered as one section and, subject to the provisions of Article 303, generating charges on these sections shall be determined, distributed and paid for on the basis of the Regulations. For the purpose of determining generating charges during said three year period, (1) the kilowatt-hours stated in Article 101 for the respective years shall be considered as the minimum obligation of Defense Plant, (2) the kilowatt-hours stated in Article 202 for the respective years shall be considered as the minimum obligation of Nevada, and (3) the District's minimum obligation for each year of operation shall be considered equal to the District's allotment of firm energy less the kilowatt-hours stated in Article 101 for such year, less the amount of the District's unused energy generated for contractors other than Defense Plant in other sections of the power plant during the year, and less the amount, if any, of the District's unused energy taken during the year by Defense Plant under Article 103. It is understood that the method of apportioning generating charges provided for in this article shall not affect the amount of charges to the City for any use it may make of generating Unit N-5 pursuant to an existing agreement between the City and the District which terminates not later than September 1, 1942.

305. From and after May 31, 1945 and until the date when transferred to use of the District as hereinafter provided, Sections G-7 and T-7 shall be segregated and shall not be considered together with Section G-2 and T-2 as one section. During the period of segregation Sections G-7 and T-7 shall be considered as units installed for the sole use of Defense Plant and Defense Plant shall pay the generating charges on said units as though it were an allottee, with the same privilege as an allottee has under Article 22 of the Regulations to make advance payments for generating machinery and equipment. During the period of segregation Sections G-7 and T-7 may be used to generate Boulder energy, if any, which Defense Plant may have procured; and during said period of segregation the Secretary may arrange for the use of said sections for other parties, including the United States, which may have rights to take Boulder energy, and the receipts from any such arrangement shall be credited to Defense Plant's obligation regarding said sections during said period, and the said receipts, to the extent they exceed the amount of said obligation, shall be disposed of in accordance with Defense Plant's direction. Said period of segregation shall terminate, and the District agrees to assume all generating costs for Sections G-7 and T-7, on June 1 of the year of operation following the year of operation in which either one of the following events has occurred:

(a) The usage by the District in the operation of its aqueduct system has exceeded 1,000,000,000 kilowatt-hours in any one year of operation;

(b) The integrated 30-minute demand in the operation of the District's aqueduct system has exceeded 150,000 kilowatts;

but in no event later than June 1, 1966: Provided, that at the option of the

District it may terminate said period of segregation and assume said costs at any earlier date upon written notice of two years to the Secretary, through the City as Operating Agent.

306. (a) The regular operation and maintenance of the generating equipment serving Defense Plant's magnesium plant load during the three year period ending May 31, 1945 will periodically require routine shut-downs for routine inspection and maintenance. Substitute generating equipment may be required for Defense Plant during such shut-downs, the total of which is estimated to average 760 hours per generator per year. When such shut-downs (1) do not necessitate generation by the City or Edison Company of substitute energy from plants other than Boulder and (2) do not necessitate purchase by the City or Edison Company of substitute power, then the City and Edison Company hereby waive their respective rights to, and consent to the use of, one of the generators at Boulder power plant heretofore assigned to the use of the City or Edison Company, for the generation of Defense Plant's load as a substitute generator for a charge at the rate of twenty-two dollars and fifty cents ($22.50) for each hour such substitute generator is actually used for Defense Plant, or is held available for use for Defense Plant during such shut-down, or is out of use while being changed from fifty to sixty cycles or vice versa. If during any such routine shut-down the City or Edison Company generates or purchases any substitute energy for itself due to concurrent loss or outage of other generating or transmission equipment, the substitute generator will be made available for Defense Plant at the aforesaid charge plus an additional charge at the rate of one hundred fifteen dollars and fifty cents ($115.50) for each hour during such shut-down that any such substitute energy is generated or purchased. The City and Edison Company agree between themselves that shut-downs for routine overhaul for any units in Sections G-2 or G-7 will be made during the months of March, April, May and June of each year, unless otherwise agreed upon by the City and Edison Company.

(b) In the event of emergency shut-downs of generating equipment at Boulder power plant serving the magnesium plant load, the City and Edison Company hereby waive their respective rights to, and consent to the use of, one of the generators at Boulder power plant heretofore assigned to the use of the City or Edison Company, for the generation of Defense Plant's load as a substitute generator at the rate of one hundred thirty-eight dollars ($138.00) for each hour such substitute generator is actually used for Defense Plant, or is held available for use for Defense Plant during such emergency shut-down, or is out of use while being changed from fifty to sixty cycles or vice versa, but during any such emergency shut-down the use of a substitute generator made available under this subparagraph (b) shall, unless otherwise agreed upon, be limited to 72 hours.

(c) The City's and Edison Company's obligations under subparagraph

(a) of this article are limited to the making available by either or both of them of not more than one substitute generator at any one time during a routine shut-down; and their obligations under subparagraph (b) of this article are limited to the making available by either or both of them of not more than one substitute generator at any one time during an emergency shut-down. It is understood and agreed that if during a routine shut-down while a substitute generator is made available under said subparagraph (a) an emergency shut-down occurs, a substitute generator will be made available under subparagraph (b), but for not to exceed 72 hours, unless otherwise agreed upon. Nothing in this Article 306 shall preclude the City or Edison Company from making available under subparagraph (a) or (b), and at the charges therein provided, more than one substitute generator, if agreed upon by the City and Edison Company and Defense Plant. The waiver and consent to the use of one or more generators in subparagraphs (a) and (b) of this article shall not, unless otherwise agreed upon, be operative during any time when such waiver or consent would result in curtailment of service to consumers of either the City or Edison Company.

(d) Any time, (1) during a routine shut-down, when the additional charge of $115.50 for a substitute generator is in effect under subparagraph (a) because substitute energy is being generated or purchased by the City or Edison Company for itself, or (2) when a substitute generator is made available during an emergency shut-down under subparagraph (b), the City or Edison Company, as the case may be, shall as promptly as practicable notify Defense Plant that service under subparagraph (a) or (b) is being furnished at the rate of $138.00 per hour. Defense Plant, if it desires to curtail its operations in order to avoid such service at such rate, shall notify the City or Edison Company, as the case may be, and shall curtail its operations so as to reduce its magnesium plant load sufficiently to permit such service being discontinued. If so notified, the City or Edison Company shall discontinue such service when the magnesium plant load has decreased sufficiently to permit the discontinuance. The notices provided for in this article may be given by telephone. Notice to Defense Plant shall be given to the office at the magnesium plant designated by it and notices to the City or Edison Company shall be given to their respective operators in charge on duty at Boulder power plant.

(e) In no event shall any liability accrue against the United States, the City or Edison Company or any of their officers, agents or employees for any damage, direct or indirect, arising on account of a failure of the City or Edison Company to make available a substitue generator under this article if said failure be due to drought, hostile diversion, Act of God, Government, the public enemy or other forces beyond their reasonable control.

(f) The obligations of the City and of Edison Company under this Article shall be in effect only during the three year period ending May 31, 1945.

307. On or before the fifth day of each calendar month the City or Edison Company each shall submit to the Director of Power a statement showing, with respect to each period within the preceding calendar month during which it made available a substitute generator for Defense Plant's load pursuant to the provisions of Article 306, (1) the duration of each such period, (2) whether the same was routine or emergency, (3) if routine, whether or not, due to concurrent loss or outage of other generating or transmission equipment, it generated substitute energy for itself, and, if so, the duration of such generation, (4) if routine, whether or not, due to concurrent loss or outage of other generating or transmission equipment, it purchased any substitute energy for itself, and, if so, the duration of such purchase, (5) the amount due from Defense Plant on the basis of the statement and (6) the amount of energy generated for the use of Defense Plant by means of such substitute generator. The United States will submit bills to Defense Plant based on each such statement by the tenth day of the calendar month in which such statement is received, if received by said fifth day, for generating charges accruing under Article 306 (a), and payments by Defense Plant on such bills shall be due on the twenty-fifth day of the same month. The payments from Defense Plant on such bills shall be made to the United States. Payments made on Edison Company bills shall be credited by the United States upon the next bill submitted by the United States to Edison Company as an allottee. Payments made on City bills shall be credited in the following manner: (1) Credits by way of deductions from the total annual charges on account of Sections G-1 and G-3 shall be made by the United States at the rate of fifteen dollars ($15.00), from the charges on account of Section G-1, and at the rate of seven dollars and fifty cents ($7.50), from the charges on account of Section G-3, for each hour a generator, from Section G-1 or G-3, is actually used for Defense Plant, or is held available for use for Defense Plant during a routine or emergency shut-down, and (2) the balance of such payments shall be credited by the United States upon the next bill submitted by the United States to the City as an allottee. Such crediting of payments made on Edison Company or City bills shall not preclude subsequent adjustment if through error or the final disallowance of any part thereof the same shall have been found to be incorrect in any particular. The obligations of the City and of Edison Company under Article 306 to make available generating capacity for the magnesium plant load during the three year period ending May 31, 1945 shall be suspended during any time when Defense Plant is more than thirty (30) days delinquent in the payments required of it under this article.

308. For the purpose of apportioning and distributing generating charges under the Regulations and existing contracts made pursuant thereto, the kilowatt-hours generated for Defense Plant, pursuant to Article 306, in sections other than Section G-2 or G-7 shall not be considered.

PART FOUR

401. Defense Plant agrees that the energy procured by it pursuant to Parts One and Two shall be used exclusively for the development and operation of the magnesium plant by or for the account of Defense Plant or the United States or any department or independent establishment thereof, and for the pumping of water from Lake Mead.

402. This agreement, the contract between the Secretary and Defense Plant (provided for in Article 101), and the contract between Nevada and Defense Plant (provided for in Article 202), to the extent they involve matters covered by the Regulations and the Agency Contract, entered into on May 29, 1941 in accordance with the Boulder Canyon Project Adjustment Act, shall be subject thereto, except where the provisions of the Regulations or Agency Contract are inconsistent with the terms and conditions of this agreement. All of the obligations, responsibilities, rights and duties under this contract of the parties hereto shall be several and not joint.

403. The waiver of a breach of any of the provisions of this agreement shall not be deemed to be a waiver of any provision hereof, or of any other or subsequent breach of any provision hereof.

404. This contract is subject to appropriations being made by Congress from time to time of money sufficient to make all payments and to provide for the doing and performance of all things on the part of the United States to be done and performed under the terms hereof, and to there being sufficient money available in the Colorado River Dam fund for such purposes. No liability shall accrue against the United States, it officers, agents or employees, by reason of sufficient money not being appropriated, or on account of there not being sufficient money in the Colorado River Dam fund for such purposes.

405. No Member of or Delegate to Congress or Resident Commissioned shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By ABE FORTAS, *Acting Secretary of the Interior.*

DEFENSE PLANT CORPORATION,
By SAM H. HUSBANDS, *President.*

Attest:
LEO NIELSON, *Assistant Secretary.*

THE CITY OF LOS ANGELES, acting by and through its Board of Water and Power Commissioners.
By C. E. MILLER, *President.*

Attest:
JOSEPH L. WILLIAMS, *Secretary.*
Authorized by Res. 1698; 6–4–42.

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, by the Board of Water and Power Commissioners.
By C. E. MILLER, *President.*

Attest:
JOSEPH L. WILLIAMS, *Secretary.*

Approved as to form and legality
this 4th day of June, 1942.
RAY L. CHESEBRO, *City Attorney.*
By MARK A. HALL, *Assistant City Attorney.*

SOUTHERN CALIFORNIA EDISON COMPANY LTD.
By HARRY J. BAUER, *President.*

Attest:
CLIFTON PETERS, *Secretary.*

Approved as to form:
G. C. LARKIN.
6–18–42.

THE CALIFORNIA ELECTRIC POWER COMPANY,
By A. B. West, *President.*

Attest:
H. DEWES, *Assistant Secretary.*

Legal Features Approved:
COIL, *General Counsel.*

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA,
By JULIAN HINDS,
General Manager and Chief Engineer.

Attest:
A. L. GRAM, *Executive Secretary.*

Approved as to form:
JAMES H. HOWARD, *General Counsel.*

STATE OF NEVADA, acting by and through its
Colorado River Commission.
By E. P. CARVILLE, *Chairman.*

Attest:
ALFRED MERRITT SMITH, *Secretary.*

COLORADO RIVER COMMISSION OF NEVADA,
By E. P. CARVILLE, *Chairman.*

Attest:
ALFRED MERRITT SMITH, *Secretary.*

Ratified and approved
this 16th day of July, 1942.
E. P. CARVILLE,
Governor of the State of Nevada.

Attest:
MALCOLM MCEACHIN,
Secretary of State.
By MURIEL LITTLEFIELD, *Deputy.*

Approved as to form:
GRAY MASHBURN,
Attorney-General of Nevada.

CITY OF BURBANK, a municipal corporation organized and existing under and by virtue of the laws of the State of California, consents to and approves of Part Three of this agreement, and as evidence of said consent and approval has caused its corporate name to be subscribed hereto, by its officers thereunto duly authorized, as of the day and year first above written.

CITY OF BURBANK,
By WALTER HINTON, *Mayor.*

Attest:
R. H. HILL,
City Clerk of the City of Burbank.
By ADDIE J. JONES, *Deputy.*

Approved as to form:
RALPH W. SWAGLER, *City Attorney.*

CITY OF PASADENA, a municipal corporation organized and existing under and by virtue of the laws of the State of California, consents to and approves of Part Three of this agreement, and as evidence of said consent and approval has caused its corporate name to be subscribed hereto, by its officers thereunto duly authorized, as of the day and year first above written.

CITY OF PASADENA,
By A. I. STEWART,
Chairman of the Board of Directors.

Approved as to form:
HAROLD P. HULS, *City Attorney.*

Attest:
BESSIE CHAMBERLAIN,
City Clerk of the City of Pasadena.

Approved:
B. F. DELANTY,
General Manager Mun. Light & Power Dept.

CALIFORNIA-PACIFIC UTILITIES COMPANY, a corporation organized and existing under and by virtue of the laws of the State of California, consents to and approves of Part Three of this agreement, and as evidence of said consent and approval has caused its corporate name to be subscribed hereto, by its officers thereunto duly authorized, as of the day and year first above written.

CALIFORNIA-PACIFIC UTILITIES COMPANY,
By J. A. WARD, *President.*

Attest:
B. M. LOVE, *Secretary.*

CITIZENS UTILITIES COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Delaware, consents to and approves of Part Three of this agreement, and as evidence of said consent and approval has caused its corporate name to be subscribed hereto, by its officers thereunto duly authorized, as of the day and year first above written.

CITIZENS UTILITIES COMPANY,
By JOSEPH CHAPMAN, *President.*

Attest:
H. F. WELCH, *Secretary.*

CITY OF GLENDALE, a municipal corporation organized and existing under and by virtue of the laws of the State of California, consents to and approves of Part Three of this agreement, and as evidence of said consent and approval has caused its corporate name to be subscribed hereto, by its officers thereunto duly authorized, as of the day and year first above written.

CITY OF GLENDALE,
By ARCHIE L. WALTERS, *Mayor.*

Attest:
G. E. CHAPMAN,
By H. R. STEVENSON, *Deputy.*
City Clerk of the City of Glendale.

Approved as to form.
AUBREY N. IRWIN, *City Attorney.*

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[ITEM 85]

BOULDER CANYON PROJECT

CONTRACT FOR THE SALE OF ELECTRICAL ENERGY AS AVAILABLE FOR MAGNESIUM PLANT

DEFENSE PLANT CORPORATION

AND

THE UNITED STATES

MAY 9, 1942

(11r–1388)

1. THIS CONTRACT, made this 9th day of May, 1942, between DEFENSE PLANT CORPORATION (hereinafter referred to as "Defense Plant"), a corporation created by Reconstruction Finance Corporation pursuant to Section 5d of the Reconstruction Finance Corporation Act, as amended, to aid the Govern-

ment of the United States in its National Defense Program, and THE UNITED STATES OF AMERICA, hereinafter referred to as the "United States," acting for this purpose by Abe Fortas, Acting Secretary of the Interior, hereinafter referred to as the "Secretary;"

WITNESSETH THAT:

EXPLANATORY RECITALS

2. WHEREAS, Defense Plant is constructing a magnesium plant near Las Vegas, Nevada and will operate said plant, or have said plant operated for Defense Plant's account, for the purpose of producing metals necessary in the prosecution of war against the enemies of the Government of the United States; and

3. WHEREAS, Defense Plant will require in the operation of said plant large quantities of electric energy, and desires to arrange for a supply of energy with a maximum demand of 196,000 kilowatts and in an amount of 1,206,000,000 kilowatt-hours in the year ending May 31, 1943, and in an amount of 1,500,000,000 kilowatt-hours in each of the two succeeding years, and also for an amount not exceeding 100,000,000 kilowatt-hours for testing and preliminary operation purposes in the year ending May 31, 1942; and

4. WHEREAS, Defense Plant and the United States, together with other parties, have concurrently herewith entered into an Agreement Arranging Power Supply for Defense Plant Corporation (hereinafter referred to as the "Agrement") by which Agreement arrangements are made for obtaining a substantial part of said three-year power supply from the Boulder Canyon Project (hereinafter referred to as the "Boulder Project"); and

5. WHEREAS, pursuant to the Agreement, and concurrently herewith, Defense Plant has entered into a contract for electrical energy with the State of Nevada (hereinafter referred to as the "Nevada contract"), and a contract for resale of electrical energy allotted to, but unused by, The Metropolitan Water District of Southern California (hereinafter referred to as the "District"), which latter resale contract is between Defense Plant and the United States but is hereinafter referred to as the 'District resale contract;" and

6. WHEREAS, the power supply and the maximum demand in connection therewith, described in Article 3, will not be obtained in full by Defense Plant pursuant to the Agreement, the Nevada contract, and the District resale contract; and

7. WHEREAS, the United States is able and willing to furnish, or arrange for furnishing, the balance of said supply and of generating capacity required to meet said demand, to the extent provided by, and in accordance with, the terms and conditions of this contract;

NOW, THEREFORE, in consideration of the provisions, covenants and conditions herein contained, the parties hereto agree as follows, to-wit:

PROVISIONS FOR SUPPLYING ENERGY AND GENERATING CAPACITY

8. (a) To the extent kilowatt-hours of energy and the use of generating capacity at the Parker Dam Power Project from time to time are available, in the judgment of the Secretary, for disposition by the United States, the United States will furnish from said project for Defense Plant's magnesium plant load the amounts of energy and the generating capacity, up to a maximum rate of delivery of 30,000 kilovolt-amperes, which, together with the amounts of energy and the use of generating capacity procured by Defense Plant pursuant to the Agreement will equal the amounts of energy and the maximum demand set forth in Article 3 as the power requirements of Defense Plant.

(b) At such time or times when energy and capacity furnished under subparagraph (a) of this Article, together with energy and capacity procured by Defense Plant pursuant to the Agreement, is less than said requirement set forth in Article 3, the United States will seek to obtain and furnish from other sources, by substitution or by "feed-back" to the Parker Dam Power Plant from other sources, sufficient energy and capacity to meet the deficiency.

(c) It is understood that the amounts of energy estimated to be furnished under subparagraphs (a) and (b) of this Article are: 106,000,000 kw-hrs. in the year ending May 31, 1943; 178,000,000 kw-hrs. in the year ending May 31, 1944; and 171,000,000 kw-hrs. in the year ending May 31, 1945; and that the capacity which probably can be furnished at the Parker Dam Power Plant in connection with said amounts of energy is 30,000 kilo-watts. It is understood and agreed, however, that the actual amount of energy supplied for Defense Plant under subparagraphs (a) and (b) of this Article (1) may vary downward from said estimates in the event operations of the magnesium plant are not commenced as promptly, or its requirements are not as large, as scheduled and (2) may include all or part of the amounts of said estimates of energy, notwithstanding availability of energy procured pursuant to the Agreement, because of necessity for utilizing for Defense Plant's load generating capacity at Parker Power Plant which utilization of necessity will require furnishing energy under said subparagraphs (a) and (b.

(d) The United States does not guarantee the availability of energy or generating capacity at Parker Power Plant for Defense Plant's requirements, but agrees to furnish energy and capacity at said plant only as provided in subparagraphs (a) and (b) of this Article. The Agreement of the United States so to furnish capacity is contingent upon complete performance by Defense Plant of its obligations under Articles 107 and 303 of the Agreement, and Articles 20 and 21 of the District resale contract and upon requisite transmission facilities being available to the United States under Article 108 of the Agreement.

DELIVERY OF ENERGY

9. (a) Energy furnished for Defense Plant pursuant to Article 8 (a) or (b) will be delivered to Defense Plant at the points where its 230,000 volt transmission lines connect with the 230,000 volt switchyard of the District at the Boulder power plant at approximately two hundred twenty thousand (220,000) volts in the form of three (3) phase alternating current at a frequency of approximately sixty (60) cycles per second.

(b) The United States reserves the right temporarily to discontinue or reduce the service being furnished under Article 8 at any time for the purpose of maintenance, repairs and/or replacements, or installation of equipment at the Parker Dam Power Project, and for investigations and inspection necessary thereto; provided, however, that the United States shall, except in case of emergency, give to Defense Plant reasonable notice in advance of such temporary discontinuance or reduction, and that the United States shall make such inspections and perform such maintenance and repair work, after consultation with Defense Plant, at such times and in such manner as to cause the least inconvenience to Defense Plant, and that the United States shall prosecute such work with diligence, and, without unnecessary delay, resume service so discontinued or reduced.

(c) In no event shall any liability accrue against the United States, its officers, agents and/or employees, for any damage, direct or indirect, arising on account of drought, hostile diversion, act of God, or the public enemy, or other similar cause.

MEASUREMENT OF ENERGY

10. All energy delivered to Defense Plant, including energy supplied under this contract, as well as that procured pursuant to the Agreement, will be measured at approximately thirteen thousand two hundred (13,200) volts at the magnesium plant of Defense Plant, and Defense Plant, at its sole cost and expense, shall furnish and install suitable metering equipment of a type and in manner satisfactory to the Chief Engineer of the Bureau of Reclamation for this purpose. For the purpose of computing the amount of energy delivered to the 230,000 volt lines of Defense Plant at the 230,000 volt switchyard at Boulder power plant one and one-quarter per centum (1¼%) shall be added to the meter readings made at the magnesium plant, to cover line and transformer losses. The said metering equipment shall be maintained by and at the expense of Defense Plant. Meters shall be tested at any reasonable time upon the request of either the United States or Defense Plant, and in any event they shall be tested at least once each year. If the test discloses that the error of any meter exceeds one per centum (1%), such meter shall be adjusted so that the error does not exceed one-half of one per centum (½%), Meter equipment shall be tested by means of suitable testing equipment which will be provided by

the United States and which shall be calibrated by the National Bureau of Standards. Meters shall be kept sealed, and the seals shall be broken only in the presence of representatives of both the United States and Defense Plant, and likewise all tests of meter equipment shall be conducted only when representatives of both the United States and Defense Plant are present.

DETERMINATION OF QUANTITIES OF ENERGY RECEIVED FROM VARIOUS SOURCES

11. In the power supply for Defense Plant there will be involved energy from the following sources:

(a) The District allocation of Boulder firm energy (District resale contract);
(b) The State of Nevada allocation of Boulder firm energy (Nevada contract);
(c) Parker Dam Power Project (Article 8 (a) hereof); and
(d) Other Sources (Article 8 (b) hereof).

For the purpose of this contract the first energy delivered during any month shall be considered as coming from source (c) in an amount equivalent to the energy supplied to the District's power system from the Parker power plant as indicated by the meter readings at that point, provided, that in no event shall the amount of energy so considered be in excess of (1) the total amount of energy computed under Article 10 hereof as delivered to Defense Plant or 1,206,000,000 kw-hrs. (whichever is the greater) in the year of operation ending May 31, 1943 less its obligation under Article 101 of the Agreement and (2) the total amount of energy computed under Article 10 hereof as delivered to Defense Plant or 1,500,000,000 kw-hrs. (whichever is the greater) in each year of operation of the two-year period ending May 31, 1945, less its obligations under Articles 101 and 202 of the Agreement in such respective years of operation. The next energy delivered shall be considered as coming from sources (a) and (b) in the ratio of the annual obligations for the year of operation in which the energy was delivered as specified in Articles 101 and 202 of the Agreement until such obligations have been fulfilled. The next energy delivered, if any, shall be considered as coming from source (a) to the extent additional energy is available from that source and to the extent Defense Plant exercises its option under Article 103 of the Agreement to take such additional energy. The source of any balance of energy delivered to Defense Plant shall be as determined by the Secretary based upon the best information available.

POSSIBLE REVISION OF ARTICLE II—INTERCHANGE OF ENERGY NOT PRECLUDED

12. It is understood and agreed that if there should be in the period ending May 31, 1945 any additional customers of the District's unused energy from the Boulder Project, or any additional customers of energy from the

Parker Dam Power Project served from the District's transmission lines, then some revision in Article 11 may be required. It is further understood and agreed that Article 11 (and similar articles in the District resale contract and the Nevada contract) do not preclude any interchange of energy between the Boulder Project and the Parker Dam Project, which the United States may see fit to effect pursuant to Article 20 of the Boulder Agency contract (Exhibit 1 of Exhibit MWD of the District resale contract) and Article 20 of the District's Boulder energy contract (Exhibit MWD of the District's resale contract).

BILLING AND PAYMENTS

13. Defense Plant shall pay the United States monthly for electrical energy furnished under this contract. The rate for energy furnished under Article 8 (a) shall be two mills ($0.002) per kilowatt-hour. The charge for energy or capacity furnished under Article 8 (b) shall be the cost to the United States of obtaining and furnishing energy under said Article 8 (b). The amounts of energy furnished under Article 8 (a) and (b) and for which payment shall be made by Defense Plant at said rate and charge respectively, shall be the amounts of energy as determined by the Secretary under Articles 10, 11 and 12. The United States will submit bills to Defense Plant by the tenth of each month immediately following the month during which energy is furnished under Article 8 (a) or (b), and payments shall be due on the twenty-fifth day of the same month. If amounts due (less proper and applicable credits) are not paid when due an interest charge of one per centum (1%) of the amount unpaid shall be added thereto and thereafter an additional interest charge of one per centum (1%) of the principal sum unpaid shall be added on the twenty-fifth day of each succeeding calendar month until the amount due, including such interest, is paid in full, but nothing contained in this article shall be construed as in any manner abridging, limiting, or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have.

NO MINIMUM ANNUAL PAYMENT

14. No minimum annual payment shall be required under this contract.

NO ENERGY TO BE DELIVERED WITHOUT PAYMENT

15. Unless an extension of time for payment has been first obtained from the Secretary, in writing, no energy shall be generated for, or delivered to, Defense Plant if it shall be in arrears for more than twelve (12) months in the payment of any charge due to the United States hereunder.

CONTRACT MAY BE TERMINATED IN CASE OF DEFAULT IN PAYMENT

16. If Defense Plant shall be in arrears for more than twelve (12) months in the payment of any charge, including interest, due to the United States hereunder, and shall not have obtained an extension of time from the Secretary for the payment thereof, or, if such extension be obtained, has not made such payment within the time as extended, then the Secretary shall have the right forthwith upon written notice to Defense Plant to terminate this contract. Nothing contained in this contract shall relieve Defense Plant from the obligation to make the United States whole, for the period of this contract, for all loss and/or damage occasioned by the failure of Defense Plant to pay for energy, including that energy incident to supplying generating capacity, furnished under this contract.

REMEDIES UNDER CONTRACT NOT EXCLUSIVE

17. Nothing contained in this contract shall be construed as in any manner abridging, limiting or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any provision hereof, or of any other subsequent breach of any provision hereof.

PRIORITY OF CLAIMS OF THE UNITED STATES

18. Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured.

DISPUTES AND DISAGREEMENTS

19. Disputes or disagreements between the United States and Defense Plant as to the interpretation or performance of the provisions of this contract shall be determined either by arbitration or court proceedings. If in any such arbitration or court proceedings or otherwise any sum or amount paid by Defense Plant on the demand or bill of the United States under this contract shall be held not to have been due or owing, payment shall not be deemed to have been voluntary, and such sum or amount shall be refunded. Whenever a controversy arises out of this contract, and the disputants agree to submit the matter to arbitration the Secretary shall name one arbitrator and Defense Plant shall name one arbitrator, and the two arbitrators thus chosen shall select a third arbitrator, but in the event of their failure to name such third arbitrator within five days after their first meeting, such third arbitrator shall be named by the Chief Justice of the Supreme Court of the United States. The decision of any two of

such arbitrators shall be a valid award of the arbitrators, and shall be final and binding as to the parties hereto.

TRANSFER OF INTEREST IN CONTRACT

20. No voluntary transfer of this contract, or of the rights of Defense Plant hereunder, except to the United States or any department or independent establishment thereof, shall be made without the written approval of the Secretary; and any successor or assign of the rights of the Defense Plant, whether by voluntary transfer, judicial sale, trustee's sale, or otherwise, shall be subject to all the provisions and conditions of this contract to the same extent as though such successor or assign were the original contractor hereunder; provided, that the execution of a mortgage or trust deed, or judicial or trustee's sale made thereunder, shall not be deemed a voluntary transfer within the meaning of this Article.

NOTICES

21. (a) Any notice, demand or request required or authorized by this contract to be given or made to or upon the United States shall be delivered, or mailed postage prepaid, to the Director of Power, United States Bureau of Reclamation, Boulder City, Nevada, except where, by the terms hereof, the same is to be given or made to or upon the Secretary, in which event it shall be delivered, or mailed postage prepaid, to the Secretary, at Washington, D. C.

(b) Any notice, demand or request required or authorized by this contract to be given or made to or upon Defense Plant shall be delivered, or mailed postage prepaid, to the local representative of Defense Plant Corporation, Las Vegas, Nevada.

(c) The designation of any person specified in this article or in any such request for notice, or the address of any such person, may be changed at any time by notice given in the same manner as provided in this article for other notices.

REPRESENTATIVE MAY ACT FOR SECRETARY

22. The Secretary, in any instance in which this contract provides for action to be taken by him or a determination to be made by him, may act through a representative or representatives authorized by him in writing.

CONTRACT CONTINGENT UPON APPROPRIATIONS

23. This contract is subject to appropriations being made by Congress from time to time of money sufficient to make all payments and to provide for the doing and performance of all things on the part of the United States to be done and performed under the terms hereof. No liability shall accrue against the

United States, its officers, agents or employees, by reason of sufficient money not being so appropriated.

OFFICIALS NOT TO BENEFIT

24. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By ABE FORTAS, *Acting Secretary of the Interior.*

DEFENSE PLANT CORPORATION,
By SAM H. HUSBANDS, *President.*

Attest:
LEO NIELSON, *Assistant Secretary.*

[ITEM 86]

BOULDER CANYON PROJECT

CONTRACT FOR THE RESALE OF ELECTRICAL ENERGY TO BE DEVELOPED AT BOULDER DAM POWER PLANT

THE UNITED STATES

AND

DEFENSE PLANT CORPORATION

MAY 9, 1942

(I1r–1389)

1. THIS CONTRACT, made this 9th day of May, 1942, between THE UNITED STATES OF AMERICA (hereinafter referred to as the "United States"), acting for this purpose by Abe Fortas, Acting Secretary of the Interior (hereinafter referred to as the "Secretary"), and DEFENSE PLANT CORPORATION (hereinafter referred to as "Defense Plant"), a corporation created by Reconstruction Finance

Corporation pursuant to Section 5d of the Reconstruction Finance Corporation Act, as amended;

WITNESSETH THAT:

EXPLANATORY RECITALS

2. WHEREAS, pursuant to the provisions of the Act of Congress approved December 21, 1928 (45 Stat., 1057), designated the Boulder Canyon Project Act (hereinafter referred to as the "Project Act"), the United States heretofore entered into a contract with The Metropolitan Water District of Southern California (hereinafter referred to as "District") of date April 26, 1930 (Symbol and No. Ilr–647), for the purchase by and delivery to the District under the terms and conditions therein stated of certain electrical energy to be developed at Boulder Dam Power Plant, which said contract was amended by supplemental contracts of dates May 31, 1930, and July 13, 1938; and

3. WHEREAS, pursuant to the Act of Congress approved July 19, 1940 (54 Stat., 774), designated the Boulder Canyon Project Adjustment Act (hereinafter referred to as the "Adjustment Act"), the District, under date of May 29, 1941, entered into a contract (Symbol and No. Ilr-1336), covering the delivery of electrical energy to it under the terms and provisions of the Adjustment Act, which contract is Exhibit MWD hereof; and

4. WHEREAS, the District will be unable for the period ending May 31, 1945, to use a portion of the firm energy it is required to take and/or pay for under the provisions of the aforesaid contract of May 29, 1941, for the only purpose for which energy was allocated to and purchased by the District, namely, for pumping water into and in its aqueduct; and

5. WHEREAS, the United States, Defense Plant and the District, together with other parties, have, concurrently herewith, entered into an Agreement Arranging Power Supply for Defense Plant Corporation (hereinafter referred to as the "Agreement"), which agreement is Exhibit DPC hereof;

6. NOW, THEREFORE, in consideration of the mutual covenants herein contained the parties hereto agree as follows, to wit:

REGULATIONS AND AGENCY CONTRACT

7. (a) This contract is subject to all the terms and conditions of the Agreement, Exhibit DPC hereof, which is hereby made a part hereof as fully and completely as though set out herein at length. This contract shall not, by any modification, be otherwise than subject to all the terms and conditions of the Agreement unless consent to any such modification be obtained from all of the parties to the Agreement.

(b) This contract is subject to all the terms and provisions of Exhibit 2 of Exhibit MWD hereof, except where said terms and provisions are inconsistent

with the terms and conditions of the Agreement, which said Exhibit 2 is hereby made a part hereof as fully and completely as though set out herein at length; and this contract is subject to such other rules and regulations as hereafter may be promulgated by the Secretary pursuant to law and to Article 27 of said Exhibit 2.

(c) Defense Plant hereby consents that the United States shall, and the United States agrees that it shall, cause the energy agreed to be delivered hereunder to be generated and delivered in accordance with the provisions of Exhibit 1 of Exhibit MWD hereof, except where said provisions are inconsistent with the terms and conditions of the Agreement; and the parties hereto agree that the rights and obligations of Defense Plant under this contract shall be controlled by the provisions of said Exhibit 1 to the extent that such provisions are applicable to Defense Plant as a contractor for electrical energy, except where such provisions are inconsistent with the terms and conditions of the Agreement; provided, however, that in the event that such Exhibit 1 shall be terminated as to either or both of the Operating Agents therein named, the United States thereafter shall itself generate and deliver the energy agreed by the United States to be generated and delivered through the agent or agents as to which said Exhibit 1 shall have been terminated.

SALE OF ENERGY

8. The United States agrees, subject to all the terms and conditions of that certain contract between the United States and the District of date May 29, 1941 (Symbol and No. Ilr—1336), attached hereto as Exhibit MWD hereof, and by this reference made a part hereof as fully and completely as though set out herein at length, that of the firm energy to be developed at Boulder Dam Power Plant, and heretofore allocated to and contracted for by the District, it will cause to be delivered to Defense Plant for the Project years of operation designated:

Year ending May 31, 1942 (for testing and preliminary operation purposes) such amount as may be required by Defense Plant, not to exceed	100,000,000 Kwh.
Year ending May 31, 1943	1,100,000,000 Kwh.
Year ending May 31, 1944	1,175,000,000 Kwh.
Year ending May 31, 1945	1,100,000,000 Kwh.

and such additional amounts in the three year period ending May 31, 1945 as Defense Plant may, under the terms and conditions of Article 103 of the Agreement, exercise its option to take.

DELIVERY OF ELECTRICAL ENERGY

9. (a) Energy will be delivered to Defense Plant at the points where its 230,000 volt transmission lines connect with the 230,000 volt switchyard of

the District at the Boulder power plant at approximately two hundred twenty thousand (220,000) volts in the form of three (3) phase alternating current at a frequency of approximately sixty cycles per second.

(b) Subject to the right of the District to have generated on Section G-2 the Project energy allocated to it, and not disposed of to Defense Plant pursuant to this contract, Defense Plant's energy procured pursuant to this contract and from the State of Nevada pursuant to Part Two of the Agreement shall be generated on Section G-2 and, after installation of generating unit N-7, on Sections G-2 and G-7, considered as a single section in accordance with the Agreement. It is understood and agreed that the generating capacity available at Boulder power plant for Defense Plant's load will be limited to that described above, except as it may be increased by action of the District under Article 104 of the Agreement and except for a substitute generator or generators made available for Defense Plant's load in accordance with the terms and conditions of Article 306 of the Agreement during routine or emergency shut-downs of units in Sections G-2 and G-7.

(c) The generation of energy disposed of to Defense Plant under this contract, and the determination and distribution of generating charges related thereto, shall be in accordance with the terms and conditions of Part Three of the Agreement. Defense Plant agrees to pay to the United States (1) the generating charges thus distributed and charged against Defense Plant, including the generating charges related to Sections G-7 and T-7 during the period of segregation, following May 31, 1945, as provided in Article 305 of the Agreement and (2) the entire cost of Section T-7a as provided in Article 303 of the Agreement.

DELIVERY OF WATER FOR GENERATION OF ELECTRICAL ENERGY

10. (a) Subject to:

(i) the statutory requirement that Boulder Dam and the reservoir created thereby shall be used: First, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of perfected rights mentioned in Section 6 of the Project Act; and third, for power; and

(ii) the further statutory requirement that this contract is made upon the express condition and with the express covenant that the rights of Defense Plant, as a contractor for electrical energy, to the use of the waters of the Colorado River, or its tributaries, shall be subject to and controlled by the Colorado River Compact;

the United States will deliver to Defense Plant energy in the manner required by this contract, in the quantity to which Defense Plant is entitled hereunder.

(b) The United States reserves the right temporarily to discontinue or reduce the delivery of water for the generation of electrical energy at any time for the purpose of maintenance, repairs and/or replacements, or installation of equipment, at the Project, (including any and all equipment which under Part

Three of the Agreement may be used for generating energy for Defense Plant), and for investigations and inspections necessary thereto; provided, however, that the United States shall, except in case of emergency, give to Defense Plant reasonable notice in advance of such temporary discontinuance or reduction, and that the United States shall make such inspections and perform such maintenance and repair work, after consultation with Defense Plant, at such times and in such manner as to cause the least inconvenience to Defense Plant, and that the United States shall prosecute such work with diligence, and, without unnecessary delay, resume delivery of water so discontinued or reduced.

(c) Should the delivery of water, for any reason or cause, other than any act or omission of Defense Plant, be discontinued or reduced below the amount required for the generation of firm energy in accordance with the provisions of this contract, the total number of hours of such discontinuance or reduction in any year shall be determined by taking the sum of the number of hours during which the delivery of water is totally discontinued, plus the product of the number of hours during which the delivery of water is partially reduced and the percentage of said partial reduction below the actual quantity of water required for generation of firm energy. Total or partial reductions in the delivery of water which do not reduce the power output below the amount required at the time for generation of firm energy will not be considered in determining the total hours of discontinuance in any year. The minimum annual payment specified in Article 15 hereof shall be reduced by the ratio that the total number of hours of such discontinuance bears to eight thousand seven hundred sixty (8,760).

(d) In no event shall any liability accrue against the United States, its officers, agents and/or employees, for any damage, direct or indirect, arising on account of drought, hostile diversion, Act of God, or the public enemy, or other similar cause; nevertheless interruptions in delivery of water occasioned by such causes shall be governed as provided in this Article 10.

MEASUREMENT OF ENERGY

11. All energy delivered to Defense Plant will be measured at approximately thirteen thousand two hundred (13,200) volts at the magnesium plant of Defense Plant, and Defense Plant, at its sole cost and expense, shall furnish and install suitable metering equipment of a type and in manner satisfactory to the Chief Engineer of the Bureau of Reclamation for this purpose. For the purpose of computing the amount of energy delivered to the 230,000 volt lines of Defense Plant at the 230,000 volt switchyard at Boulder power plant one and one-quarter per centum (1¼%) shall be added to the meter readings to cover line and transformer losses. The said metering equipment shall be maintained by and at the expense of Defense Plant. Meters shall be tested at any reasonable

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time upon the request of either the United States or Defense Plant, and in any event they shall be tested at least once each year. If the test discloses that the error of any meter exceeds one per centum (1%), such meter shall be adjusted so that the error does not exceed one-half of one per centum (½%). Meter equipment shall be tested by means of suitable testing equipment which will be provided by the United States and which shall be calibrated by the United States Bureau of Standards. Meters shall be kept sealed, and the seals shall be broken only in the presence of representatives of both the United States and Defense Plant, and likewise all tests of meter equipmnt shall be conducted only when representatives of both the United States and Defense Plant are present.

DETERMINATION OF QUANTITIES OF ENERGY RECEIVED FROM VARIOUS SOURCES

12. In the power supply for Defense Plant there will be involved energy from the following sources:

(a) The District allocation of Boulder firm energy,

(b) The State of Nevada allocation of Boulder firm energy, and

(c) Parker Dam Power Project.

For the purpose of this contract the first energy delivered during any month shall be considered as coming from cource (c) in an amount equivalent to the energy supplied to the District's power system from the Parker power plant as indicated by the meter readings at that point, provided, that in no event shall the amount of energy so considered be in excess of (1) the total amount of energy computed under Article 11 as delivered to Defense Plant or 1,206,000,000 kw-hrs. (whichever is the greater) in the year of operation ending May 31, 1943 less its obligation under Article 101 of the Agreement and (2) the total amount of energy computed under Article 11 as delivered to Defense Plant or 1,500,000,000 kw-hrs. (whichever is the greater) in each year of operation of the two year period ending May 31, 1945, less its obligations under Articles 101 and 202 of the Agreement in such respective years of operation. The next energy delivered shall be considered as coming from sources (a) and (b) in the ratio of the annual obligations for the year of operation in which the energy was delivered as specified in Articles 101 and 202 of the Agreement until such obligations have been fulfilled. The next energy delivered, if any, shall be considered as coming from source (a) to the extent additional energy is available from that source and to the extent Defense Plant exercises its option under Article 103 of the Agreement to take such additional energy. The source of any balance of energy delivered to Defense Plant shall be as determined by the Secretary based upon the best information available. Nothing contained in this article shall be construed as relieving Defense Plant of its obligation to take and/or pay for the annual amounts of energy specified in Article 101 of the Agreement, in accordance with the provisions for billing and payments in Article 13 of this contract.

BILLING AND PAYMENTS

13. Defense Plant shall pay monthly for electrical energy and for the generation thereof in accordance with the firm energy rates specified in Exhibit 2 of Exhibit MWD and the generating charges provided for in Part Three of the Agreement. The energy bill for each month shall be computed at the rate for firm energy in effect when such energy was taken on the basis of the amount of energy delivered pursuant to this contract during such month, as determined under Articles 11 and 12; provided, however, that the bill for energy for the month of May of each year shall not be less than the difference between the minimum annual energy payment, as provided in Article 15 hereof, and the sum of the amounts charged for firm energy during the preceding eleven months. The United States will submit bills to Defense Plant by the tenth of each month immediately following the month during which the energy was generated, and payments shall be due on the twenty-fifth day of the same month. If such charges (less proper and applicable credits) are not paid when due an interest charge of one per centum (1%) of the amount unpaid shall be added thereto and thereafter an additional interest charge of one per centum (1%) of the principal sum unpaid shall be added on the twenty-fifth day of each succeeding calendar month until the amount due, including such interest, is paid in full, but nothing contained in this article shall be construed as in any manner abridging, limiting, or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have.

CHARGES TO BE PAID UNITED STATES FOR CREDIT TO THE DISTRICT

14. In consideration of this contract, Defense Plant agrees to pay the United States, for credit to the District, energy rates and charges in accordance with those specified in Article 13 hereof. Generating charges against Defense Plant shall be computed and paid to the United States on the basis provided in Part Three of the Agreement, with interest charges, the same as those provided in Article 13 hereof.

MINIMUM ANNUAL PAYMENT

15. The minimum quantity of energy which Defense Plant shall take and/or pay for each year of the three year period ending May 31, 1945, under the terms of this contract, shall be the quantity set forth for the respective years in Article 8 hereof. The minimum annual payment shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article 10 hereof.

NO ENERGY TO BE DELIVERED WITHOUT PAYMENT

16. Unless an extension of time for payment has been first obtained from the Secretary, in writing, no energy shall be generated for, or delivered to, Defense Plant if it shall be in arrears for more than twelve (12) months in the payment of any charge due to the United States hereunder.

CONTRACT MAY BE TERMINATED IN CASE OF DEFAULT IN PAYMENT

17. If Defense Plant shall be in arrears for more than twelve (12) months in the payment of any charge, including interest, due to the United States hereunder, and shall not have obtained an extension of time from the Secretary for the payment thereof, or, if such extension be obtained, has not made such payment within the time as extended, then the Secretary shall have the right forthwith upon written notice to Defense Plant to terminate this contract. Nothing contained in this contract shall relieve Defense Plant from the obligation to make the United States whole, for the period of this contract, for all loss and/or damage occasioned by the failure of Defense Plant to take and/or pay for energy as provided in this contract.

REMEDIES UNDER CONTRACT NOT EXCLUSIVE

18. Nothing contained in this contract shall be construed as in any manner abridging, limiting or depriving the United States of any means of enforcing and remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any provision hereof, or of any other subsequent breach of any provision hereof.

MODIFICATIONS

19. Any modification, extension or waiver by the Secretary, subsequent to May 31, 1941, of any of the terms, provisions or requirements of any regulation or contract, promulgated or executed subsequent to May 19, 1941, for the benefit of the District shall not be denied to Defense Plant.

ELECTRICAL DISTURBANCES

20. The use of power and energy by Defense Plant under this contract shall be such as not to cause objectionable voltage fluctuations or other electrical disturbances at any power plant or on any part of the transmission system which will be used to supply power to the magnesium plant or on any transmission line connected with the transmission system required to supply such service. Defense Plant shall, at its own expense, install such apparatus as will reason-

ably limit fluctuations and disturbances when such fluctuations and disturbances are determined by the Secretary to be objectionable.

VOLTAGE REGULATING EQUIPMENT

21. The present normal operation, without voltage control equipment (which is not necessary for the District's purposes), of the District's aqueduct pumping system requires maintenance of voltages varying from 200,000 to 230,000 at the Boulder 230,000 volt switchyard of the District. In order to provide the closer voltage control which is necessary for Defense Plant's purposes, and still maintain proper voltage for station service and camp uses on the District's aqueduct system, Defense Plant at its own expense shall cause to be purchased and installed voltage regulating equipment in the District's pumping plants. Such equipment and the manner of its installation shall be subject to the approval of the District. Such voltage regulating equipment when installed shall be and remain the property of the District and shall be operated and maintained at the expense of the District.

TITLE TO REMAIN IN THE UNITED STATES

22. As provided by Section six (6) of the Project Act, the title to Boulder Dam, Lake Mead, Boulder Dam power plant and incidental works and equipment installed hereunder shall forever remain in the United States.

PRIORITY OF CLAIMS OF THE UNITED STATES

23. Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured.

USE OF PUBLIC AND RESERVED LANDS OF THE UNITED STATES

24. The use is authorized of such public and reserved lands of the United States as may be necessary or convenient for the construction, operation and maintenance of main transmission lines, to transmit electrical energy generated at Boulder Dam.

DISPUTES AND DISAGREEMENTS

25. Disputes or disagreements between the United States and Defense Plant as to the interpretation or performance of the provisions of this contract shall be determined either by arbitration or court proceedings. If in any such arbitration or court proceedings or otherwise any sum or amount paid by Defense Plant on the demand or bill of the United States under this contract shall be held not to have been due or owing, payment shall not be deemed to have

been voluntary, and such sum or amount shall be refunded. Whenever a controversy arises out of this contract, and the disputants agree to submit the matter to arbitration the Secretary shall name one arbitrator and Defense Plant shall name one arbitrator, and the two arbitrators thus chosen shall select a third arbitrator, but in the event of their failure to name such third arbitrator within five days after their first meeting, such third arbitrator shall be named by the Chief Justice of the Supreme Court of the United States. The decision of any two of such arbitrators shall be a valid award of the arbitrators, and shall be final and binding as to the parties hereto.

TRANSFER OF INTEREST IN CONTRACT

26. No voluntary transfer of this contract, or of the rights of Defense Plant hereunder, except to the United States or any department or independent establishment thereof, shall be made without the written approval of the Secretary; and any successor or assign of the rights of the Defense Plant, whether by voluntary transfer, judicial sale, trustee's sale, or otherwise, shall be subject to all the conditions of the Project Act as modified by the Adjustment Act, and of the Adjustment Act, and also subject to all the provisions and conditions of this contract to the same extent as though such successor or assign were the original contractor hereunder; provided, that the execution of a mortgage or trust deed, or judicial or trustee's sale made thereunder, shall not be deemed a voluntary transfer within the meaning of this Article.

NOTICES

27. (a) Any notice, demand or request required or authorized by this contract to be given or made to or upon the United States shall be delivered, or mailed postage prepaid, to the Director of Power, United States Bureau of Reclamation, Boulder City, Nevada, except where, by the terms hereof, the same is to be given or made to or upon the Secretary, in which event it shall be delivered, or mailed postage prepaid, to the Secretary, at Washington, D. C.

(b) Any notice, demand or request required or authorized by this contract to be given or made to or upon Defense Plant shall be delivered, or mailed postage prepaid, to the local representative of Defense Plant Corporation, Las Vegas, Nevada.

(c) The designation of any person specified in this article or in any such request for notice, or the address of any such person, may be changed at any time by notice given in the same manner as provided in this article for other notices.

CONTRACT CONTINGENT UPON APPROPRIATIONS

28. This contract is subject to appropriations being made by Congress from time to time of money sufficient to make all payments and to provide for the doing and performance of all things on the part of the United States to be done

and performed under the terms hereof, and to there being sufficient money available in the Colorado River Dam fund for such purposes. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient money not being so appropriated, or on account of there not being sufficient money in the Colorado River Dam fund for such purposes.

OFFICIALS NOT TO BENEFIT

29. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By ABE FORTAS, *Acting Secretary of the Interior.*

DEFENSE PLANT CORPORATION,
SAM H. HUSBANDS, *President.*

Attest:
LEO NIELSON, *Assistant Secretary.*

[CORPORATE SEAL]

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, a public corporation organized and existing under and by virtue of the laws of the State of California, as evidence of its consent to and approval of this contract, has caused its corporate name to be subscribed hereto by its officers thereunto duly authorized as of the day and year first above written.

THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA,
By JULIAN HINDS,
General Manager and Chief Engineer.

Attest:
A. L. GRAM,
Executive Secretary of The Metropolitan Water District of Southern California.

[CORPORATE SEAL]

Approved as to Form and Execution:
JAMES H. HOWARD, *General Counsel.*

LIST OF EXHIBITS ATTACHED TO ORIGINAL CONTRACT BUT NOT ATTACHED HERETO

Exhibit MWD—Contract for the Sale of Electrical Energy dated May 29, 1941 between The United States of America and The Metropolitan Water District of Southern California.

Exhibit 1—Contract for the Operation of Boulder Power Plant dated May 29, 1941, between The United States of America and The City of Los Angeles and its Department of Water and Power, and Southern California Edison Company Ltd.

Exhibit 2—General Regulations for Generation and Sale of Power in Accordance with the Boulder Canyon Project Adjustment Act dated May 20, 1941.

Exhibit DPC—Agreement Arranging Power Supply for Defense Plant Corporation dated May 9, 1942, between Defense Plant Corporation and The United States of America, The City of Los Angeles and its Department of Water and Power, Southern California Edison Company Ltd., The California Electric Power Company, The Metropolitan Water District of Southern California, and the State of Nevada and its Colorado River Commission.

[ITEM 87]

BOULDER CANYON PROJECT

CONTRACT FOR SALE OF ELECTRICAL ENERGY

STATE OF NEVADA

AND

DEFENSE PLANT CORPORATION

MAY 9, 1942

1. THIS CONTRACT, made this Ninth day of May, 1942, between the STATE OF NEVADA, a body politic and corporate, and its Colorado River Commission (said Commission acting in the name of the State, but as principal in its own behalf as well as in behalf of the State; the term State as used in this contract being deemed to be both the State of Nevada and its Colorado River Commission or its successors), acting in pursuance of an act of the Legislature of the State of Nevada, entitled "An Act creating a commission to be known as the Colorado river commission of Nevada, defining its powers and duties, and making an appropriation for the expenses thereof, and repealing all acts and parts of acts in conflict with this act," approved March 20, 1935, (Chapter 71, Stats. of Nevada, 1935), and acts amendatory thereof or supplementary thereto, and DEFENSE PLANT CORPORATION (hereinafter referred to as "Defense

Plant"), a corporation created by Reconstruction Finance Corporation pursuant to Section 5d of the Reconstruction Finance Corporation Act, as amended;

WITNESSETH THAT:

EXPLANATORY RECITALS

2. WHEREAS, pursuant to the provisions of the Act of Congress approved December 21, 1928, (45 Stat. 1057), designated the Boulder Canyon Project Act (hereinafter referred to as the "Project Act"), the United States entered into a certain contract designated as "Contract for Lease of Power Privilege", dated April 26, 1930, with severally, The City of Los Angeles and its Department of Water and Power and Southern California Edison Company Ltd. (hereinafter referred to as the "City" and Edison "Company," respectively), which contract was thereafter amended by two certain contracts between the same parties, dated May 28, 1930, and September 23, 1931, and was also modified by a certain contract between the United States and the City, dated July 6, 1938, and consented to by Edison Company, which Contract for Lease of Power Privilege, dated April 26, 1930, together with said amendatory and modifying contracts, are hereinafter collectively referred to as the "Lease", and under date of May 6, 1936, the United States and the State of Nevada entered into a certain contract for electricial energy, which contract was amended under dates of April 23, 1938, December 7, 1939, and December 19, 1940; and

3. WHEREAS, by the terms of the Act of Congress, approved July 19, 1940, (54 Stats. 774), designated "The Boulder Canyon Project Adjustment Act," (hereinafter referred to as the "Adjustment Act"), it is provided among other things that the Secretary is authorized to negotiate for and enter into a contract for the termination of the existing Lease of the Boulder Power Plant, and that the Secretary, in consideration of such termination of the Lease, is authorized to designate the City and Edison Company as the agents of the United States for the operation of the Boulder Power Plant; and

4. WHEREAS, under date of May 29, 1941, the United States and the City and Edison Company (hereinafter collectively referred to as "Operating Agents") have executed a contract designated "Contract for the Operation of Boulder Power Plant," a copy of which said contract is attached hereto, marked "Exhibit 1"; and

5. WHEREAS, under date of May 20, 1941, the Secretary approved and promulgated "General Regulations for Generation and Sale of Power in Accordance with the Boulder Canyon Project Adjustment Act," a copy of which is attached hereto, marked "Exhibit 2"; and

6. WHEREAS, under date of May 29, 1941, the United States and the State have executed a contract designated "Contract for the Sale of Electrical Energy,' a copy of which is attached hereto, marked "Exhibit 3"; and

7. WHEREAS, the State, Defense Plant, and the United States, together with

other parties, have, concurrently herewith, entered into an Agreement Arranging Power Supply for Defense Plant Corporation (hereinafter referred to as the "Agreement"), which Agreement is attached hereto, marked "Exhibit 4";

8. NOW, THEREFORE, in consideration of the provisions, covenants and conditions herein contained, the parties hereto agree as follows, to-wit:

SUBJECT TO EXHIBITS AND REGULATIONS

9. (a) This contract is subject to all the terms and conditions of the Agreement, Exhibit 4 hereof, which is hereby made a part hereof as fully and completely as though set out herein at length.

(b) This contract is subject to all the terms and provisions of Exhibits 1, 2 and 3 hereof, except where said terms and provisions are inconsistent with the terms and conditions of the Agreement, which said Exhibits 1, 2 and 3 are hereby made a part hereof as fully and completely as though set out herein at length. This contract is subject to such other rules and regulations as hereafter may be promulgated by the Secretary pursuant to law and to Article 27 of Exhibit 2 hereof.

SALE OF ENERGY

10. The State agrees, subject to all the terms and conditions of Exhibits 1, 2, 3 and 4 which are applicable to this contract in accordance with Article 9, that it will cause to be delivered to Defense Plant the following amounts of energy for the Project years of operation designated:

Year ending May 31, 1944.....147,000,000 Kw-hrs.
Year ending May 31, 1945.....229,000,000 Kw-hrs.

at a maximum demand of not to exceed 39,000 horsepower, said amounts and demand being in accordance with Part Two of the Agreement.

DELIVERY OF ENERGY AND DETERMINATION OF ENERGY AND GENERATING CHARGES

11. (a) The State agrees to deliver the energy designated in Article 10 to Defense Plant at the points where the 230,000 volt transmission lines of Defense Plant connect with the 230,000 volt switchyard of The Metropolitan Water District of Southern California (hereinafter referred to as the "District") at the Boulder power plant at approximately two hundred twenty thousand (220,000) volts in the form of three (3) phase alternating current at a frequency of approximately sixty cycle per second. Defense Plant agrees to take and/or pay for, at firm energy rates determined in accordance with Exhibit 2, the energy designated in Article 10 hereof for use exclusively within the State of Nevada, in accordance with and subject to the terms, conditions and provisions of Exhibits 1, 2, 3 and 4 as made applicable by Article 9.

(b) The generation of the energy designated in Article 10 and sold to Defense Plant by this contract, and the determination and distribution of generating charges related thereto, shall be in accordance with the terms and conditions of Part Three of the Agreement. Defense Plant agrees (1) to pay to the State the generating charges thus distributed and charged against the State, (2) to pay to the United States the generating charges related to Sections G-7 and T-7 during the period of segregation, following May 31, 1945, as provided in Article 305 of the Agreement, and (3) to pay to the United States the entire cost of Section T-7a as provided in Article 303 of the Agreement.

(c) Defense Plant shall not look to the State for compensation for injury or damages of any kind which in any manner may arise out of the operation and maintenance of any portion of the Boulder Power Plant, or from the operation and maintenance of any of the transformer or transmission facilities which may be used to transmit electrical energy for use by Defense Plant, or from any change which may be made in the transmission voltage of said facilities, or from failure of the Government for any cause whatever to generate or deliver electrical energy to the State, provided, however, the State will energetically protest injury to Defense Plant resulting from improper or careless operation or maintenance by the United States Government or its operating agents and use its best offices to secure justice and satisfactory service for Defense Plant.

(d) Defense Plant further agrees that there shall be constructed and maintained without cost or expense to the State such necessary transmission facilities, or other mechanical or or electrical equipment as may be necessary for Defense Plant to take delivery of and use said energy.

MEASUREMENT OF ENERGY

12. All energy delivered to Defense Plant will be measured at approximately thirteen thousand two hundred (13,200) volts at the magnesium plant of Defense Plant, and Defense Plant, at its sole cost and expense shall furnish and install suitable metering equipment of a type and in manner satisfactory to the Chief Engineer of the Bureau of Reclamation for this purpose. For the purpose of computing the amount of energy delivered to the 230,000 volt lines of Defense Plant at the 230,000 volt switchyard at Boulder power plant one and one-quarter per centum (1¼%) shall be added to the meter readings to cover line and transformer losses. The said metering equipment shall be maintained by and at the expense of Defense Plant. Meters shall be tested at any reasonable time upon the request of either the United States or Defense Plant, and in any event they shall be tested at least once each year. If the test discloses that the error of any meter exceeds one per centum (1%), such meter shall be adjusted so that the error does not exceed one-half of one per centum (½%). Meter equipment shall be tested by means of suitable testing equipmnt which will be provided by the United States and which shall be calibrated by the United States Bureau of Standards. Meters shall be kept sealed, and the seals shall be broken

only in the presence of representatives of both the United States and Defense Plant, and likwise all tests of meter equipment shall be conducted only when representatives of both the United States and Defense Plant are present. The State shall be notified in advance when such tests are to be made and shall be given an opportunity to have a representative present.

DETERMINATION OF QUANTITIES OF ENERGY RECEIVED FROM VARIOUS SOURCES

13. In the power supply for Defense Plant there will be involved energy from the following sources:

(a) The District allocation of Boulder firm energy,
(b) The State of Nevada allocation of Boulder firm energy, and
(c) Parker Dam Power Project.

For the purpose of this contract the first energy delivered during any month shall be considered as coming from source (c) in an amount equivalent to the energy supplied to the District's power system from the Parker power plant as indicated by the meter readings at that point, provided, that in no event shall the amount of energy so considered by in excess of (1) the total amount of energy computed under Article 12 as delivered to Defense Plant or 1,206,-000,000 kw-hrs. (whichever is the greater) in the year of operation ending May 31, 1943, less its obligation under Article 101 of the Agreement and (2) the total amount of energy computed under Article 12 as delivered to Defense Plant or 1,500,000,000 kw-hrs. (whichever is the greater) in each year of operation of the two year period ending May 31, 1945, less its obligations under Articles 101 and 202 of the Agreement in such respective years of operation. The next energy delivered shall be considered as coming from sources (a) and (b) in the ratio of the annual obligations for the year of operation in which the energy was delivered as specified in Articles 101 and 202 of the Agreement until such obligations have been fulfilled. The next energy delivered, if any, shall be considered as coming from source (a) to the extent additional energy is available from that source and to the extent Defense Plant exercises its option under Article 103 of the Agreement to take such additional energy. The source of any balance of energy delivered to Defense Plant shall be as determined by the Secretary based upon the best information available. Nothing contained in this article shall be construed as relieving Defense Plant of its obligation to take and/or pay for the annual amounts of energy specified in Article 202 of the Agreement, in accordance with the provisions for billing and payments in Article 15 of this contract.

COLORADO RIVER COMMISSION CHARGE

14. Defense Plant shall pay to the State five-hundredths mill ($0.00005) per kilowatt-hour for all electrical energy sold and contracted to be taken and or

paid for under Articles 10 and 11, to apply toward reimbursing the State for the costs of administration incurred by the Colorado River Commission of Nevada and the satisfaction of the obligations imposed upon the Commission by Chapter 71, 1935 Statutes of Nevada, page 147.

BILLING AND PAYMENTS

15. Defense Plant shall pay monthly its obligations to the State for electrical energy and for the generation thereof in accordance with the firm energy rates and the generating and other costs provided for in Articles 11 and 14. The energy bill for each month shall be computed at the rate for firm energy in effect when such energy was taken on the basis of the amount of energy delivered pursuant to this contract during such month, as determined under Articles 12 and 13; provided, however, that the bill for energy for the month of May of each year shall not be less than the difference between the minimum annual energy payment as provided in Article 16 hereof, and the sum of the amounts charged for firm energy during the preceding eleven months. The State will submit the bill for amounts due the State under this contract to Defense Plant by the tenth of each month immediately following the month during which the energy was generated, and payments shall be due on the 25th day of the month during which the bill is submitted. If such bill is not paid when due, an interest charge of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional interest charge of one per centum (1%) of the principal sum unpaid shall be added on the 25th day of each succeeding calendar month until the amount due, including such interest, is paid in full, but nothing contained in this article shall be construed as in any manner abridging, limiting, or depriving the State of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have.

MINIMUM ANNUAL PAYMENTS

16. The minimum quantity of firm energy which Defense Plant shall take and/or pay for at firm energy rates each year of operation of the two year period ending May 31, 1945, under the terms of this contract, shall be the quantity set forth for the respective years of operation in Article 10 hereof. The minimum annual energy payment shall be reduced in cases of interruptions or curtailment of delivery of water as provided in Exhibit 3.

NO ENERGY TO BE DELIVERED WITHOUT PAYMENT

17. No energy shall be delivered to Defense Plant if Defense Plant shall be in arrears for three months in the payment of any charge due to be paid to the State hereunder.

CONTRACT MAY BE TERMINATED IN CASE OF DEFAULT IN PAYMENT

18. If Defense Plant shall be in arrears for more than three months in the payment of any charge, including interest, due to be paid to the State hereunder, then the State reserves the right to terminate this contract upon notice by publication after at least four weekly insertions in any legal newspaper published within the County of Clark, State of Nevada, unless full payment of charges, including interest and the expenses of said publication be made within said period of publication. Nothing contained in this contract shall relieve Defense Plant from the obligation to make the State whole for the period of this contract for all loss or damage occasioned by the failure of Defense Plant to take and/or pay for the electrical energy as provided in this contract.

BOND FOR FULL PERFORMANCE

19. The bond required of Defense Plant, as an applicant for the purchase of Project energy from the State, required by Chapter 71, 1935 Statutes of Nevada, is hereby fixed by the said Colorado River Commission of Nevada at the sum of Ten Thousand Dollars; and said bond shall be continued for the full and faithful performance of each and every covenant, condition or agreement herein contained, and shall in other respects be satisfactory to said Commission. In lieu of said bond, Defense Plant may deposit cash or collateral equivalent in value to the sum of said bond with a depositary and under terms and conditions deemed satisfactory by said Commission.

TRANSFER OF INTEREST IN CONTRACT

20. No voluntary transfer of this contract, or of the rights of Defense Plant hereunder, except to the United States or any department or independent establishment thereof, shall be made without the written approval of the Colorado River Commission; and any successor or assign of the rights of Defense Plant, whether by voluntary transfer, judicial sale, trustee's sale or otherwise, shall be subject to all the conditions of the Project Act as modified by the Adjustment Act, and also subject to all the provisions and conditions of this contract to the same extent as though such successor or assign were the original contractor hereunder.

CONTRACT CONTINGENT UPON APPROPRIATIONS

21. This contract is subject to appropriations being made by Congress from time to time of money sufficient to make all payments and to provide for the doing and performance of all things on the part of the United States to be done and performed under the terms of Exhibits 1, 2, 3, and 4 and to there

being sufficient money available in the Colorado River Dam Fund of the United States for such purposes. No liability shall accrue against the State, its officers, agents or employees by reason of sufficient money not being appropriated, or on account of there not being sufficient money in the Colorado River Dam Fund for such purposes.

STATE'S RIGHTS

22. Nothing contained in this contract shall be construed as in any manner abridging, limiting or depriving the State of any means of enforcing any remedy either at law or in equity for the breach of the provisions hereof which it would otherwise have. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any other provision hereof or of such provisions, and the waiver of a breach of any of the provisions of this contract shall not be deemed to constitute an interpretation of said provision or any other provisions hereof which shall be binding upon the State.

APPROVAL BY SECRETARY OF THE INTERIOR

23. This contract shall not be binding on the State until the Secretary of the Interior, by letter addressed to the State, approves this contract.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

STATE OF NEVADA, acting by and through its
Colorado River Commission.
By E. P. CARVILLE, *Chairman.*

Attest:
ALFRED MERRITT SMITH, *Secretary.*

COLORADO RIVER COMMISSION OF NEVADA,
By E. P. CARVILLE, *Chairman.*

Attest:
ALFRED MERRITT SMITH, *Secretary.*

DEFENSE PLANT CORPORATION,
By SAM H. HUSBANDS.

Attest:
LEO NIELSON, *Assistant Secretary.*

I, the undersigned, the Honorable E. P. Carville, Governor of the State of Nevada, do hereby ratify and approve the foregoing Contract for Electrical

Energy, under the power vested in me by Chapter 71, of the 1935 Statutes of Nevada, pages 147–52.

Dated this 21st day of July, 1942.

E. P. CARVILLE,
Governor of the State of Nevada.

Attest:

MALCOLM MCEACHIN, *Secretary of State.*
By MURIEL LITTLEFIELD, *Deputy.*

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CERTIFICATE OF THE SECRETARY OF STATE

I, Malcolm McEachin, the duly elected, qualified and acting Secretary of State of the State of Nevada, do hereby certify that the Honorable E. P. Carville is now, and was at the time of the execution of that certain contract for Sale of Electrical Energy, to which this certificate is attached, between the State of Nevada and Defense Plant Corporation, the duly elected, qualified and acting Governor of the State of Nevada, and, by virtue of said office, was then and is now the Chairman of the Colorado River Commission of Nevada; that Alfred Merritt Smith is now, and was at the time of the execution of said Contract for Sale of Electrical Energy, the duly elected, qualified and acting Secretary of the said Colorado River Commission of Nevada; and that the signatures affixed to said Contract are the signatures of the Honorable E. P. Carville, Governor of the State of Nevada and Chairman of the Colorado River Commission of Nevada, and the said Alfred Merritt Smith, the Secretary of the Colorado River Commission of Nevada.

Dated this 21st day of July, 1942.

MALCOLM MCEACHIN,
Secretary of State of the State of Nevada.
By MURIAEL LITTLEFIELD, *Deputy.*

LIST OF EXHIBITS ATTACHED TO ORIGINAL CONTRACT BUT NOT ATTACHED HERETO

Exhibit 1—Contract for the Operation of Boulder Power Plant dated May 29, 1941, between The United States of America and The City of Los Angeles and its Department of Water and Power, and Southern California Edison Company Ltd.

Exhibit 2—General Regulations for Generation and Sale of Power in Accordance with the Boulder Canyon Project Adjustment Act dated May 20, 1941.

Exhibit 3—Contract for the Sale of Electrical Energy dated May 29, 1941, between The United States of America and the State of Nevada and its Colorado River Commission.

Exhibit 4—Agreement Arranging Power Supply for Defense Plant Corporation dated May 9, 1942, between Defense Plant Corporation and The United States of America, The City of Los Angeles and its Department of Water and Power, Southern California Edison Company Ltd., The California Electric Power Company, The Metropolitan Water District of Southern California, and the State of Nevada and its Colorado River Commission.

[ITEM 88]

BOULDER CANYON PROJECT

CONTRACT FOR THE RESALE OF ELECTRICAL ENERGY TO BE DEVELOPED AT BOULDER DAM POWER PLANT

THE UNITED STATES

AND

CALIFORNIA-PACIFIC UTILITIES COMPANY

NOVEMBER 21, 1941

(11r–1366)

1. THIS CONTRACT, made this 21st day of November, 1941, pursuant to the Act of Congress approved June 17, 1902 (32 Stat., 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat., 1057), designated the Boulder Canyon Project Act (hereinafter referred to as the "Project Act", and

to the Act of Congress approved July 19, 1940 (54 Stat., 774), designated the Boulder Canyon Project Adjustment Act (hereinafter referred to as the "Adjustment Act,") between THE UNITED STATES OF AMERICA (hereinafter referred to as the "United States"), acting for this purpose by Harold L. Ickes, Secretary of the Interior (hereinafter referred to as the "Secretary"), and CALIFORNIA-PACIFIC UTILITIES COMPANY, a corporation organized and existing under and by virtue of the laws of the State of California (hereinafter referred to as the "Company");

WITNESSETH THAT:

EXPLANATORY RECITALS

2. WHEREAS, pursuant to the provisions of the Project Act, the United States heretofore entered into a contract with The Metropolitan Water District of Southern California (hereinafter referred to as "District") of date April 26, 1930 (Symbol and No. I1r–647), for the purchase by and delivery to the District under the terms and conditions therein stated of certain electrical energy to be developed at Boulder Dam Power Plant, which said contract was amended by supplemental contracts of dates May 31, 1930, and July 13, 1938; and

3. WHEREAS, the District will be unable for a period of years from and after the date when it was first required to take and/or pay for firm energy under the provisions of the aforesaid contract of April 26, 1930, as amended, to use a portion of such energy for the only purpose for which energy was allocated to and purchased by the District, namely, for pumping water into and in its aqueduct, and requested the Secretary to dispose of such excess energy pursuant to and in accordance with the provisions of Article 7 of said contract, until required by the District; and

4. WHEREAS, the Company is a public utility engaged in the generation, distribution and sale of electrical energy in the State of California, and under date of December 28, 1937, Needles Gas & Electric Company, its predecessor in interest, entered into a contract (Symbol and No. I1r–1001), with the United States under the terms of the Project Act for the resale to the Company of a part of the firm energy contracted for by the District, but not required by the District, temporarily, for pumping water into and in its aqueduct; and

5. WHEREAS, the Adjustment Act authorizes, among other things, adjustment of rates and charges required by the Project Act, but provides that any contractor for energy from Boulder Dam Power Plant failing or refusing to execute a contract modifying its existing contract to conform to the Adjustment Act shall continue to pay the rates and charges provided for in its existing contract, subject to such periodic readjustments as are therein provided, in all respects as if the Adjustment Act had not been passed, and in so far as necessary to support such existing contract all of the provisions of the Project Act were continued in effect, anything in the Adjustment Act inconsistent therewith notwithstanding; and

6. WHEREAS, under date of May 29, 1941, the District entered into a contract (Symbol and No. I1r–1336), covering the delivery of electrical energy to it under the terms and provisions of the Adjustment Act, and the Company now desires to enter into a contract under the terms and provisions of said Adjustment Act in order that it may obtain the benefits thereof;

7. NOW, THEREFORE, in consideration of the mutual covenant herein contained the parties hereto agree as follows, to wit:

REGULATIONS AND AGENCY CONTRACT

8. (a) This contract is subject to all the terms and provisions of Exhibit 2 of Exhibit MWD hereof which said Exhibit 2 is hereby made a part hereof as fully and completely as though set out herein at length, and this contract is subject to such other rules and regulations as hereafter may be promulgated by the Secretary pursuant to law and to Article 27 of said Exhibit 2.

(b) The Company hereby consents that the United States shall, and the United States agrees that it shall, cause the energy agreed to be delivered here under to be generated and delivered in accordance with the provisions of Exhibit 1 of Exhibit MWD hereof; and the parties hereto agree that the rights and obligations of the Company under this contract shall be controlled by the provisions of said Exhibit 1 to the extent that such provisions are applicable to the Company as a contractor for electrical energy; provided, however, that in the event that such Exhibit 1 shall be terminated as to either or both of the Operating Agents therein named, the United States thereafter shall itself generate and deliver the energy agreed by the United States to be generated and delivered through the agent or agents as to which said Exhibit 1 shall have been terminated.

SALE OF ENERGY

9. The United States agrees, subject to all the terms and conditions of that certain contract between the United States and the Disrict of date May 29, 1941 (Symbol and No. I1r–1336), attached hereto as Exhibit MWD hereof, and by this reference made a part hereof and fully and completely as though set out herein at length, that of the firm energy to be developed at Boulder Dam Power Plant, and heretofore allocated to and contracted for by the District, it will cause to be delivered to the Company for the period beginning June 1, 1941, and ending on and including December 31, 1954, so much firm energy as may be required by the Company for distribution to its customers, not however, exceeding twenty million (20,000,000) kilowatt-hours annually (June 1st to May 31st, inclusive); provided that, upon six months' notice in writing to the Company by the Secretary, the said amount of twenty million (20,000,000) kilowatt-hours annually may be reduced to an amount not less than ten million (10,000,000) kilowatt-hours annually (June 1st to May 31st,

inclusive), and not less than an amount equal to that actually taken by the Company during the twelve months immediately preceding the date of such notice, whichever amount is the greater, subject however to the right on the part of the Company to elect, by written notice delivered to the Secretary not later than thirty (30) days after the receipt of the six months' notice heretofore referred to, to fix said maximum amount at a figure in excess of ten million (10,000,000) kilowatt-hours annually, but not exceeding twenty million (20,000,000) kilowatt-hours annually, effective as of the date of the election to exercise such option and to continue effective during the remaining term of this contract. In the event that the maximum amount of energy agreed to be delivered hereunder shall be fixed as a result of such six months' notice and/or the exercise of the Company's option, as hereinbefore set out, at an amount exceeding ten million (10,000,000) kilowatt-hours annually, the minimum annual payment specified in Article 15 shall be increased as of the effective date of said change, in the ratio that said amount so fixed shall bear to ten million (10,000,000) kilowatt-hours annually. The aforesaid contract of date December 28, 1937 (Symbol and No. Ilr–1001), between the parties hereto shall be considered terminated as of midnight, Pacific Standard Time, May 31, 1941.

DELIVERY OF ELECTRICAL ENERGY

10. (a) Energy will be delivered to the Company in Nevada at the State of Nevada switch-yard, at the point heretofore designated by the Chief Engineer of the Bureau of Reclamation, at approximately sixty-six thousand (66,000) volts in the form of three (3) phase alternating current at a frequency of approximately sixty cycles per second. The Company at its sole cost and expense shall furnish and install a high-voltage automatic oil circuit breaker and remote control equipment of a type and in manner satisfactory to the Chief Engineer of the Bureau of Reclamation, at the point where its transmission line connects to the State of Nevada switch-yard supplying energy to the State of Nevada.

(b) From June 1, 1941, and until Section G–3 has been placed in operation, Section G–1 shall be used for the service of The City of Los Angeles and its Department of Water and Power (hereinafter referred to as the "City"), and the Cities of Burbank, Glendale and Pasadena (hereinafter referred to as the "Municipalities"), the United States, the State of Nevada and such resale consumers of energy allocated to but not taken by The Metropolitan Water District of Southern California as are now served by Section G–1.

After said Section G–3 has been placed in operation, said Section G–1 shall be used solely for the service of the City and the Municipalities and the United States, and said Section G–3 shall be used solely for the service of the City and the United States, except that the States of Nevada and Arizona shall be

entitled to generation of electrical energy by means of said Section G–3 up to but not exceeding a combined demand of 44,000 kilowatts, and such resale consumers shall be entitled to generation of electrical energy by means of said Section G–3 up to but not exceeding a combined demand of 6,000 kilowatts plus such portion of said 44,000 kilowatts as is not in use or required by the States; provided, that such resale consumers shall not be entitled to take in excess of 70,000,000 kilowatt hours of electrical energy in any one year of operation.

The fact that energy generated by means of Section G–3 may in fact reach any of said Municipalities, shall not be deemed to be in violation of the foregoing provisions.

The foregoing provisions of this Article 10 (b) relate only to operating conditions, and are not to be construed as an agreement, contemplated by Article 18 of Exhibit 2 of Exhibit MWD, relating to or affecting in any way the apportionment of generating charges. Notwithstanding the operating conditions provided for in this Article 10 (b), generating charges for Sections G–1 and G–3 shall be considered as charges for a single section and shall be apportioned in accordance with the provisions of Article 18 of said Exhibit 2.

DELIVERY OF WATER FOR GENERATION OF ELECTRICAL ENERGY

11. (a) Subject to:

(i) the statutory requirement that Boulder Dam and the reservoir created thereby shall be used:

First, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of perfected rights mentioned in Section 6 of the Project Act; and third, for power; and

(ii) the further statutory requirement that this contract is made upon the express condition and with the express covenant that the rights of the Company, as a contractor for electrical energy, to the use of the waters of the Colorado River, or its tributaries, shall be subject to and controlled by the Colorado River Compact;

the United States will deliver to the Company energy in the manner required by this contract, in the quantity to which the Company is entitled hereunder, and in accordance with the Company's load requirements.

(b) The United States reserves the right temporarily to discontinue or reduce the delivery of water for the generation of electrical energy at any time for the purpose of maintenance, repairs and/or replacements, or installation of equipment, at the Project, and for investigations and inspections necessary thereto; provided, however, that the United States shall, except in case of emergency, give to the Company reasonable notice in advance of such temporary discontinuance or reduction, and that the United States shall make such inspections and perform such maintenance and repair work, after consultation with the Company, at such times and in such manner as to cause the least in-

convenience to the Company, and that the United States shall prosecute such work with diligence, and, without unnecessary delay, resume delivery of water so discontinued or reduced.

(c) Should the delivery of water, for any reason or cause, other than any act or omission of the Company, be discontinued or reduced below the amount required for the generation of firm energy in accordance with the provisions of this contract, the total number of hours of such discontinuance or reduction in any year shall be determined by taking the sum of the number of hours during which the delivery of water is totally discontinued, plus the product of the number of hours during which the delivery of water is partially reduced and the percentage of said partial reduction below the actual quantity of water required for generation of firm energy. Total or partial reductions in the delivery of water which do not reduce the power output below the amount required at the time for generation of firm energy will not be considered in determining the total hours of discontinuance in any year. The minimum annual payment specified in Article 15 hereof shall be reduced by the ratio that the total number of hours of such discontinuance bears to eight thousand seven hundred sixty (8,760).

(d) In no event shall any liability accrue against the United States, its officers, agents and/or employees, for any damage, direct or indirect, arising on account of drought, hostile diversion, Act of God, or the public enemy, or other similar cause; nevertheless interruptions in delivery of water occasioned by such causes shall be governed as provided in this Article 11.

MEASUREMENT OF ENERGY

12. All energy delivered to the Company will be measured at transmission voltage, and the Company, at its sole cost and expense shall furnish and install suitable metering equipment of a type and in manner satisfactory to the Chief Engineer of the Bureau of Reclamation for this purpose. The said meter equipment shall be maintained by and at the expense of the Company. Meters shall be tested at any reasonable time upon the request of either the United States or the Company, and in any event they shall be tested at least once each year. If the test discloses that the error of any meter exceeds one per centum (1%), such meter shall be adjusted so that the error does not exceed one-half of one per centum (½%). Meter equipment shall be tested by means of suitable testing equipment which will be provided by the United States and which shall be calibrated by the United States Bureau of Standards. Meters shall be kept sealed, and the seals shall be broken only in the presence of representatives of both the United States and the Company, and likewise all tests of meter equipment shall be conducted only when representatives of both the United States and the Company are present.

BILLING AND PAYMENTS

13. The Company shall pay monthly for electrical energy and for the generation thereof in accordance with the energy rates and generating charges specified in Exhibit 2 of Exhibit MWD. The energy bill for each month shall be computed at the rate for firm energy in effect when such energy was taken on the basis of the actual amount of energy used during such month; provided, however, that the bill for energy for the month of May of each year shall not be less than the difference between the minimum annual energy payment, as provided in Article 15 hereof, and the sum of the amounts charged for firm energy during the preceding eleven months. The United States will submit bills to the Company by the tenth of each month immediately following the month during which the energy was generated, and payments shall be due on the first day of the month immediately succeeding. If such charges (less proper and applicable credits) are not paid when due an interest charge of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional interest charge of one per centum (1%) of the principal sum unpaid shall be added on the first day of each succeeding calendar month until the amount due, including such interest, is paid in full, but nothing contained in this article shall be construed as in any manner abridging, limiting, or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have.

CHARGES TO BE PAID UNITED STATES FOR CREDIT TO THE DISTRICT

14. In consideration of this contract, the Company agrees to pay the United States, for credit to the District, rates and charges in accordance with those specified in Exhibit 2 of Exhibit MWD hereof; provided that generating charges against the Company shall be computed on the same basis as that provided for charges against allottees in the said regulations.

MINIMUM ANNUAL PAYMENT

15. The minimum quantity of energy which the Company shall take and/or pay for each year (June 1st to May 31st, inclusive), under the terms of this contract, shall be 3,000,000 kilowatt-hours. For a fractional year at the beginning or end of the contract period, the minimum annual payment for energy shall be proportionately adjusted in the ratio that the number of days water is available for generation of energy in such fractional year bears to three hundred sixty-five (365). Provided, that the minimum annual payment shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article 11 hereof.

NO ENERGY TO BE DELIVERED WITHOUT PAYMENT

16. Unless an extension of time for payment has been first obtained from the Secretary, in writing, no energy shall be generated for, or delivered to, the Company if it shall be in arrears for more than twelve (12) months in the payment of any charge due to the United States hereunder.

CONTRACT MAY BE TERMINATED IN CASE OF DEFAULT IN PAYMENT

17. If the Company shall be in arrears for more than twelve (12) months in the payment of any charge, including interest, due to the United States hereunder, and shall not have obtained an extension of time from the Secretary for the payment thereof, or, if such extension be obtained, has not made such payment within the time as extended, then the Secretary shall have the right forthwith upon written notice to the Company to terminate this contract and dispose of the energy herein agreed to be delivered to the Company as he may see fit. Nothing contained in this contract shall relieve the Company from the obligation to make the United States whole, for the period of this contract, for all loss and/or damage occasioned by the failure of the Company to take and/or pay for energy as provided in this contract.

REMEDIES UNDER CONTRACT NOT EXCLUSIVE

18. Nothing contained in this contract shall be construed as in any manner abridging, limiting or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any provision hereof, or of any other subsequent breach of any provision hereof.

MODIFICATIONS

19. Any modification, extension or waiver by the Secretary, subsequent to May 31, 1941, of any of the terms, provisions or requirements of any regulation or contract, promulgated or executed subsequent to May 19, 1941, for the benefit of the District shall not be denied to the Company.

INSPECTION BY THE UNITED STATES

20. The Secretary or his representatives shall at all times have the right of ingress to and egress from all works of the Company for the purpose of inspection, repair and maintenance of works of the United States, and for all other proper purposes. The Secretary or his reprerentatives shall also have free access at all reasonable times to the books and records of the Company

relating to the receipt and transmission of electrical energy hereunder with the right at any time during office hours to make copies of or from the same.

TITLE TO REMAIN IN THE UNITED STATES

21. As provided by Section six (6) of the Boulder Canyon project act, the title to Boulder Dam, Lake Mead, Boulder Dam power plant and incidental works and equipment installed hereunder shall forever remain in the United States.

PRIORITY OF CLAIMS OF THE UNITED STATES

22. Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured.

USE OF PUBLIC AND RESERVED LANDS OF THE UNITED STATES

23. The use is authorized of such public and reserved lands of the United States as may be necessary or convenient for the construction, operation and maintenance of main transmission lines, to transmit electrical energy generated at Boulder Dam.

DISPUTES AND DISAGREEMENTS

24. Disputes or disagreements between the United States and the Company as to the interpretation or performance of the provisions of this contract shall be determined either by arbitration or court proceedings. If in any such arbitration or court proceedings or otherwise any sum or amount paid by the Company on the demand or bill of the United States under this contract shall be held not to have been due or owing, payment shall not be deemed to have been voluntary, and such sum or amount shall be refunded. Whenever a controversy arises out of this contract, and the disputants agree to submit the matter to arbitration the Secretary shall name one arbitrator and the Company shall name one arbitrator, and the two arbitrators thus chosen shall select a third arbitrator, but in the event of their failure to name such third arbitrator within five days after their first meeting, such third arbitrator shall be named by the Chief Justice of the Supreme Court of the United States. The decision of any two of such arbitrators shall be a valid award of the arbitrators, and shall be final and binding as to the parties hereto.

TRANSFER OF INTEREST IN CONTRACT

25. No voluntary transfer of this contract, or of the rights of the Company hereunder, shall be made without the written approval of the Secretary; and

any successor or assign of the rights of the Company, whether by voluntary transfer, judicial sale, trustee's sale, or otherwise, shall be subject to all the conditions of the Project Act as modified by the Adjustment Act, and of the Adjustment Act, and also subject to all the provisions and conditions of this contract to the same extent as though such successor or assign were the original contractor hereunder; provided, that the execution of a mortgage or trust deed, or judicial or trustee's sale made thereunder, shall not be deemed a voluntary transfer within the meaning of this Article.

NOTICES

26. (a) Any notice, demand or request required or authorized by this contract to be given or made to or upon the United States shall be delivered, or mailed postage prepaid, to the Director of Power, United States Bureau of Reclamation, Boulder City, Nevada, except where, by the terms hereof, the same is to be given or made to or upon the Secretary, in which event it shall be delivered, or mailed postage prepaid, to the Secretary, at Washington, D. C.

(b) Any notice, demand or request required or authorized by this contract to be given or made to or upon the Company shall be delivered, or mailed postage prepaid, to the President of the California-Pacific Utilities Company, Financial Center Building, San Francisco, California.

(c) The designation of any person specified in this article or in any such request for notice, or the address of any such person, may be changed at any time by notice given in the same manner as provided in this article for other notices.

CONTRACT CONTINGENT UPON APPROPRIATIONS

27. This contract is subject to appropriations being made by Congress from time to time of money sufficient to make all payments and to provide for the doing and performance of all things on the part of the United States to be done and performed under the terms hereof, and to there being sufficient money available in the Colorado River Dam fund for such purposes. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient money not being so appropriated, or on account of there not being sufficient money in the Colorado River Dam fund for such purposes.

OFFICIALS NOT TO BENEFIT

28. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By HAROLD L. ICKES, *Secretary of the Interior.*

CALIFORNIA-PACIFIC UTILITIES COMPANY,
By J. A. WARD, *President.*

Attest:
B. M. LOVE, *Secretary.*

[CORPORATE SEAL]

Approved as to form:
.....

RESOLUTION OF BOARD OF DIRECTORS OF CALIFORNIA-PACIFIC UTILITIES COMPANY

RESOLVED, that the President of this Company be, and he is hereby, authorized to execute in duplicate, for and on behalf of the Company and in its name, a contract substantially in the form submitted to this Board, between the United States of America and the Company, for the resale of electrical energy to be developed at Boulder Dam Power Plant; and the Secretary of this Company be, and she is hereby, authorized and directed to affix to each of said counterparts of said contract the corporate seal of the Company and to attest the same.

RESOLVED, FURTHER, that the officers of the Company are hereby authorized and empowered to deliver said contract, when so executed, sealed and attested on behalf of this corporation, to representatives of the United States of America, and are further authorized to take any and all steps and to execute any and all instruments necessary or advisable in their judgment in order to effectuate the execution of said contract and the performance of its terms.

SECRETARY'S CERTIFICATE

I, B. M. Love, Secretary of California-Pacific Utilities Company, do hereby certify that the foregoing is a full, true and correct copy of a resolution adopted at a regular meeting of the Board of Directors of said Company held on the 24th day of September, 1941, at 10:00 o'clock A.M., and that said resolution has not been amended, rescinded or annulled and is now in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said corporation this 26th day of September, 1941.

B. M. LOVE, *Secretary.*

[CORPORATE SEAL]

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, a public corporation organized and existing under and by virtue of the laws of the

State of California, as evidence of its consent to and approval of this contract, has caused its corporate name to be subscribed hereto by its officers thereunto duly authorized as of the day and year first above written.

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA,
By JULIAN HINDS,
General Manager and Chief Engineer.

[CORPORATE SEAL]

Attest:
A. L. GRAM,
Executive Secretary of the Metropolitan Water District of Southern California.

Approved as to form and execution:
JAMES H. HOWARD, *General Counsel.*

833942—50—64

RESOLUTION NO. 3392

WHEREAS, under date of December 28, 1937, the United States of America entered into a contract with Needles Gas & Electric Company for the sale of electrical energy to be generated at Boulder Dam power plant and allotted to The Metropolitan Water District of Southern California, and the consent to, and approval of, said contract, attached thereto, was executed by the District pursuant to Resolution No. 2598, adopted by this Board on December 31, 1937; and

WHEREAS, pursuant to the provisions of the Boulder Canyon Project Adjustment Act, the United States of America now proposes to enter into a contract with California-Pacific Utilities Company, the successor in interest of said Needles Gas & Electric Company, for the sale of electrical energy to be generated at Boulder Dam power plant and allotted to The Metropolitan Water District of Southern California, and terminating said contract of December 28, 1937, in the form submitted with the letter from the General Manager and Chief Engineer to this Board, dated October 24, 1941; and

WHEREAS, it has been found by this Board that the interests of the District will be best served if said contract is entered into:

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Metropolitan Water District of Southern California, that said District hereby consents to, and approves, the said contract between the United States of America and California-Pacific Utilities Company, in the form so submitted to this Board and that the General Manager and Chief Engineer of the District be, and he hereby is, authorized and directed to execute the consent to, and approval of, said contract attached thereto, and that the Executive Secretary of the District be, and he hereby is, authorized and directed to attest the signature of the General Manager and Chief Engineer, and to affix to said consent the corporate seal of the District.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Directors of The Metropolitan Water

District of Southern California, at its meeting held October 24, 1941.

A. L. GRAM,
Executive Secretary of the Metropolitan Water District of Southern California.

[CORPORATE SEAL]

LIST OF EXHIBITS

Exhibit MWD—Contract for the Sale of Electrical Energy between The United States of America and The Metropolitan Water District of Southern California.

Exhibit 1—Contract for the Operation of Boulder Power Plant between The United States of America and The City of Los Angeles and its Department of Water and Power, and Southern California Edison Company Ltd.

Exhibit "A"—Specifications of Properties of the United States to be Operated, Maintained and Replaced by The City of Los Angeles.

Exhibit "B"—Specifications of Properties of the United States to be Operated, Maintained and Replaced by the Southern California Edison Company Ltd.

Exhibit 2—General Regulations for Generation and Sale of Power in Accordance with the Boulder Canyon Project Adjustment Act.

[ITEM 89]

BOULDER CANYON PROJECT

CONTRACT FOR THE RESALE OF ELECTRICAL ENERGY TO BE DEVELOPED AT BOULDER DAM POWER PLANT

IN THE UNITED STATES

AND

CITIZENS UTILITY COMPANY

DECEMBER 2, 1941

(I1r–1368)

1. THIS CONTRACT, made this 2nd day of December, 1941, pursuant to the Act of Congress approved June 17, 1902 (32 Stat., 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat., 1057), designated the Boulder Canyon Project Act (hereinafter referred to as the "Project Act"),

and to the Act of Congress approved July 19, 1940 (54 Stat., 774), designated the Boulder Canyon Project Adjustment Act (hereinafter referred to as the "Adjustment Act"), between THE UNITED STATES OF AMERICA (hereinafter referred to as the "United States"), acting for this purpose by Harold L. Ickes, Secretary of the Interior (hereinafter referred to as the "Secretary"), and CITIZENS UTILITIES COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Delaware, (hereinafter referred to as the "Company");

WITNESSETH THAT:

EXPLANATORY RECITALS

2. WHEREAS, pursuant to the provisions of the Project Act, the United States heretofore entered into a contract with The Metropolitan Water District of Southern California (hereinafter referred to as "District") of date April 26, 1930 (Symbol and No. I1r–647), for the purchase by and delivery to the District under the terms and conditions therein stated of certain electrical energy to be developed at Boulder Dam Power Plant, which said contract was amended by supplemental contracts of dates May 31, 1930, and July 13, 1938; and

3. WHEREAS, the District will be unable for a period of years from and after the date when it was first required to take and/or pay for firm energy under the provisions of the aforesaid contract of April 26, 1930, as amended, to use a portion of such energy for the only purpose for which energy was allocated to and purchased by the District, namely, for pumping water into and in its aqueduct, and requested the Secretary to dispose of such excess energy pursuant to and in accordance with the provisions of Article 7 of said contract, until required by the District; and

4. WHEREAS, the Company is a public utility engaged in the generation, distribution and sale of electrical energy in the State of Arizona, and under date of January 7, 1938, entered into a contract (Symbol and No. I1r–1009), with the United States under the terms of the Project Act for the resale to the Company of a part of the firm energy contracted for by the District, but not required by the District, temporarily, for pumping water into and in its aqueduct; and

5. WHEREAS, the Adjustment Act authorizes, among other things, adjustment of rates and charges required by the Project Act, but provides that any contractor for energy from Boulder Dam Power Plant failing or refusing to execute a contract modifying its existing contract to conform to the Adjustment Act shall continue to pay the rates and charges provided for in its existing contract, subject to such periodic readjustments as are therein provided, in all respects as if the Adjustment Act had not been passed, and in so far as necessary to support such existing contract all of the provisions of the Project

Act were continued in effect, anything in the Adjustment Act inconsistent therewith notwithstanding; and

6. WHEREAS, under date of May 29, 1941, the District entered into a contract (Symbol and No. I1r–1336), covering the delivery of electrical energy to it under the terms and provisions of the Adjustment Act, and the Company now desires to enter into a contract under the terms and provisions of said Adjustment Act in order that it may obtain the benefits thereof;

7. NOW, THEREFORE, in consideration of the mutual covenants herein contained the parties hereto agree as follows, to wit:

REGULATIONS AND AGENCY CONTRACT

8. (a) This contract is subject to all the terms and provisions of Exhibit 2 of Exhibit MWD hereof which said Exhibit 2 is hereby made a part hereof as fully and completely as though set out herein at length, and this contract is subject to such other rules and regulations as hereafter may be promulgated by the Secretary pursuant to law and to Article 27 of said Exhibit 2.

(b) The Company hereby consents that the United States shall, and the United States agrees that it shall, cause the energy agreed to be delivered hereunder to be generated and delivered in accordance with the provisions of Exhibit 1 of Exhibit MWD hereof; and the parties hereto agree that the rights and obligations of the Company under this contract shall be controlled by the provisions of said Exhibit 1 to the extent that such provisions are applicable to the Company as a contractor for electrical energy; provided, however, that in the event that such Exhibit 1 shall be terminated as to either or both of the Operating Agents therein named, the United States thereafter shall itself generate and deliver the energy agreed by the United States to be generated and delivered through the agent or agents as to which said Exhibit 1 shall have been terminated.

SALE OF ENERGY

9. The United States agrees, subject to all the terms and conditions of that certain contract between the United States and the District of date May 29, 1941 (Symbol and No. I1r–1336), attached hereto as Exhibit MWD hereof, and by this reference made a part hereof as fully and completely as though set out herein at length, that of the firm energy to be developed at Boulder Dam Power Plant, and heretofore allocated to and contracted for by the District, it will cause to be delivered to the Company for the period beginning June 1, 1941, and ending on and including December 31, 1954, so much firm energy as may be required by the Company for distribution to its customers, not however, exceeding fifty million (50,000,000) kilowatt-hours annually (June 1st to May 31st, inclusive); provided that, upon six months' notice in writing to

the Company by the Secretary, the said amount of fifty million (50,000,000) kilowatt-hours annually may be reduced to an amount not less than twenty-five million (25,000,000) kilowatt-hours annually (June 1st to May 31st, inclusive), and not less than an amount equal to that actually taken by the Company during the twelve months immediately preceding the date of such notice, whichever amount is the greater, subject however to the right on the part of the Company to elect, by written notice delivered to the Secretary not later than thirty (30) days after the receipt of the six months' noice heretofore referred to, to fix said maximum amount at a figure in excess of twenty-five million (25,000,000) kilowatt-hours annually, but not exceeding fifty million (50,000,000) kilowatt-hours annually, effective as of the date of the election to exercise such option and to continue effective during the remaining term of this contract. In the event that the maximum amount of energy agreed to be delivered hereunder shall be fixed as a result of such six months' notice and/or the exercise of the Company's option, as hereinbefore set out, at an amount exceeding twenty-five million (25,000,000) kilowatt-hours annually, the minimum annual payment specified in Article 15 shall be increased as of the effective date of said change, in the ratio that said amount so fixed shall bear to twenty-five million (25,000,000) kilowatt-hours annually. The aforesaid contract of date January 7, 1938 (Symbol and No. I1r–1009), between the parties hereto shall be considered terminated as of midnight, Pacific Standard Time, May 31, 1941.

DELIVERY OF ELECTRICAL ENERGY

10. (a) Energy will be delivered to the Company in Arizona at the point heretofore designated by the Chief Engineer of the Bureau of Reclamation, at approximately sixty-six thousand (66,000) volts in the form of three (3) phase alternating current at a frequency of approximately sixty cycles per second. The Company at its sole cost and expense shall furnish and install a high-voltage automatic oil circuit breaker and remote control equipment of a type and in manner satisfactory to the Chief Engineer of the Bureau of Reclamation, at the point where its transmission line connects to the circuit supplying energy to the State of Nevada.

(b) From June 1, 1941, and until Section G–3 has been placed in operation, Section G–1 shall be used for the service of The City of Los Angeles and its Department of Water and Power (hereinafter referred to as the "City"), and the Cities of Burbank, Glendale and Pasadena (hereinafter referred to as the "Municipalities"), the United States, the State of Nevada and such resale consumers of energy allocated to but not taken by The Metropolitan Water District of Southern California as are now served by Section G–1.

After said Section G–3 has been placed in operation, said Section G–1 shall be used solely for the service of the City and the Municipalities and the United

States, and said Section G3 shall be used solely for the service of the City and the United States, except that the States of Nevada and Arizona shall be entitled to generation of electrical energy by means of said Section G–3 up to but not exceeding a combined demand of 44,000 kilowatts, and such resale consumers shall be entitled to generation of electrical energy by means of said Section G–3 up to but not exceeding a combined demand of 6,000 kilowatts plus such portion of said 44,000 kilowatts as is not in use or required by the States; provided, that such resale consumers shall not be entitled to take in excess of 70,000,000 kilowatt hours of electrical energy in any one year of operation.

The fact that energy generated by means of Section G–3 may in fact reach any of said Municipalities, shall not be deemed to be in violation of the foregoing provisions.

The foregoing provisions of this Article 10 (b) relate only to operating conditions, and are not to be construed as an agreement, contemplated by Article 18 of Exhibit 2 of Exhibit MWD, relating to or affecting in any way the apportionment of generating charges. Notwithstanding the operating conditions provided for in this Article 10 (b), generating charges for Sections G–1 and G–3 shall be considered as charges for a single section and shall be apportioned in accordance with the provisions of Article 18 of said Exhibit 2.

DELIVERY OF WATER FOR GENERATION OF ELECTRICAL ENERGY

11. (a) Subject to:

(i) the statutory requirement that Boulder Dam and the reservoir created thereby shall be used: First, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of perfected rights mentioned in Section 6 of the Project Act; and third, for power; and

(ii) the further statutory requirement that this contract is made upon the express condition and with the express covenant that the rights of the Company, as a contractor for electrical energy, to the use of the waters of the Colorado River, or its tributaries, shall be subject to and controlled by the Colorado River Compact;

the United States will deliver to the Company energy in the manner required by this contract, in the quantity to which the Company is entitled hereunder, and in accordance with the Company's load requirements.

(b) The United States reserves the right temporarily to discontinue or reduce the delivery of water for the generation of electrical energy at any time for the purpose of maintenance, repairs and/or replacements, or installation of equipment, at the Project, and for investigations and inspections necessary thereto; provided, however, that the United States shall, except in case of emergency, give to the Company reasonable notice in advance of such temporary discontinuance or reduction, and that the United States shall make such inspections and perform such maintenance and repair work, after consultation

with the Company, at such times and in such manner as to cause the least inconvenience to the Company, and that the United States shall prosecute such work with diligence, and, without unnecessary delay, resume delivery of water so discontinued or reduced.

(c) Should the delivery of water, for any reason or cause, other than any act or omission of the Company, be discontinued or reduced below the amount required for the generation of firm energy in accordance with the provisions of this contract, the total number of hours of such discontinuance or reduction in any year shall be determined by taking the sum of the number of hours during which the delivery of water is totally discontinued, plus the product of the number of hours during which the delivery of water is partially reduced and the percentage of said partial reduction below the actual quantity of water required for generation of firm energy. Total or partial reductions in the delivery of water which do not reduce the power output below the amount required at the time for generation of firm energy will not be considered in determining the total hours of discontinuance in any year. The minimum annual payment specified in Article 15 hereof shall be reduced by the ratio that the total number of hours of such discontinuance bears to eight thousand seven hundred sixty (8,760).

(d) In no event shall any liability accrue against the United States, its officers, agents and/or employees, for any damage, direct or indirect, arising on account of drought, hostile diversion, Act of God, or the public enemy, or other similar cause; nevertheless interruptions in delivery of water occasioned by such causes shall be governed as provided in this Article 11.

MEASUREMENT OF ENERGY

12. All energy delivered to the Company will be measured at transmission voltage, and the Company, at its sole cost and expense shall furnish and install suitable metering equipment of a type and in manner satisfactory to the Chief Engineer of the Bureau of Reclamation for this purpose. The said meter equipment shall be maintained by and at the expense of the Company. Meters shall be tested at any reasonable time upon the request of either the United States or the Company, and in any event they shall be tested at least once each year. If the test discloses that the error of any meter exceeds one per centum (1%), such meter shall be adjusted so that the error does not exceed one-half of one per centum (½%). Meter equipment shall be tested by means of suitable testing equipment which will be provided by the United States and which shall be calibrated by the United States Bureau of Standards. Meters shall be kept sealed, and the seals shall be broken only in the presence of representatives of both the United States and the Company, and likewise all tests of meter equipment shall be conducted only when representatives of both the United States and the Company are present.

BILLING AND PAYMENTS

13. The Company shall pay monthly for electrical energy and for the generation thereof in accordance with the energy rates and generating charges specified in Exhibit 2 of Exhibit MWD. The energy bill for each month shall be computed at the rate for firm energy in effect when such energy was taken on the basis of the actual amount of energy used during such month; provided, however, that the bill for energy for the month of May of each year shall not be less than the difference between the minimum annual energy payment, as provided in Article 15 hereof, and the sum of the amounts charged for firm energy during the preceding eleven months. The United States will submit bills to the Company by the tenth of each month immediately following the month during which the energy was generated, and payments shall be due on the first day of the month immediately succeeding. If such charges (less proper and applicable credits) are not paid when due an interest charge of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional interest charge of one per centum (1%) of the principal sum unpaid shall be added on the first day of each succeeding calendar month until the amount due, including such interest, is paid in full, but nothing contained in this article shall be construed as in any manner abridging, limiting, or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have.

CHARGES TO BE PAID UNITED STATES FOR CREDIT TO THE DISTRICT

14. In consideration of this contract, the Company agrees to pay the United States, for credit to the District, rates and charges in accordance with those specified in Exhibit 2 of Exhibit MWD hereof; provided that generating charges against the Company shall be computed on the same basis as that provided for charges against allottees in the said regulations.

MINIMUM ANNUAL PAYMENT

15. The minimum quantity of energy which the Company shall take and/or pay for each year (June 1st to May 31st, inclusive), under the terms of this contract shall be 7,670,000 kilowatt-hours. For a fractional year at the beginning or end of the contract period, the minimum annual payment for energy shall be proportionately adjusted in the ratio that the number of days water is available for generation of energy in such fractional year bears to three hundred sixty-five (365). Provided, that the minimum annual payment shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article 11 hereof.

NO ENERGY TO BE DELIVERED WITHOUT PAYMENT

16. Unless an extension of time for payment has been first obtained from the Secretary, in writing, no energy shall be generated for, or delivered to, the Company if it shall be in arrears for more than twelve (12) months in the payment of any charge due to the United States hereunder.

CONTRACT MAY BE TERMINATED IN CASE OF DEFAULT IN PAYMENT

17. If the Company shall be in arrears for more than twelve (12) months in the payment of any charge, including interest, due to the United States hereunder, and shall have not have obtained an extension of time from the Secretary for the payment thereof, or, if such extension be obtained, has not made such payment within the time as extended, then the Secretary shall have the right forthwith upon written notice to the Company to terminate this contract and dispose of the energy herein agreed to be delivered to the Company as he may see fit. Nothing contained in this contract shall relieve the Company from the obligation to make the United States whole, for the period of this contract, for all loss and/or damage occasioned by the failure of the Company to take and/or pay for energy as provided in this contract.

REMEDIES UNDER CONTRACT NOT EXCLUSIVE

18. Nothing contained in this contract shall be construed as in any manner abridging, limiting or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any provision hereof, or of any other subsequent breach of any provision hereof.

MODIFICATIONS

19. Any modification, extension or waiver by the Secretary, subsequent to May 31, 1941, of any of the terms, provisions or requirements of any regulation or contract, promulgated or executed subsequent to May 19, 1941, for the benefit of the District shall not be denied to the Company.

INSPECTION BY THE UNITED STATES

20. The Secretary or his representatives shall at all times have the right of ingress to and egress from all works of the Company for the purpose of inspection, repair and maintenance of works of the United States, and for all other proper purposes. The Secretary or his representatives shall also have free access at all reasonable times to the books and records of the Company

relating to the receipt and transmission of electrical energy hereunder with the right at any time during office hours to make copies of or from the same.

TITLE TO REMAIN IN THE UNITED STATES

21. As provided by Section six (6) of the Boulder Canyon project act, the title to Boulder Dam, Lake Mead, Boulder Dam power plant and incidental works and equipment installed hereunder shall forever remain in the United States.

PRIORITY OF CLAIMS OF THE UNITED STATES

22. Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured.

USE OF PUBLIC AND RESERVED LANDS OF THE UNITED STATES

23. The use is authorized of such public and reserved lands of the United States as may be necessary or convenient for the construction, operation and maintenance of main transmission lines, to transmit electrical energy generated at Boulder Dam.

DISPUTES AND DISAGREEMENTS

24. Disputes or disagreement between the United States and the Company as to the interpretation or performance of the provisions of this contract shall be determined either by arbitration or court proceedings. If in any such arbitration or court proceedings or otherwise any sum or amount paid by the Company on the demand or bill of the United States under this contract shall be held not to have been due or owing, payment shall not be deemed to have been voluntary, and such sum or amount shall be refunded. Whenever a controversy arises out of this contract, and the disputants agree to submit the matter to arbitration the Secretary shall name one arbitrator and the Company shall name one arbitrator, and the two arbitrators thus chosen shall select a third arbitrator, but in the event of their failure to name such third arbitrator within five days after their first meeting, such third arbitrator shall be named by the Chief Justice of the Supreme Court of the United States. The decision of any two of such arbitrators shall be a valid award of the arbitrators, and shall be final and binding as to the parties hereto.

TRANSFER OF INTEREST IN CONTRACT

25. No voluntary transfer of this contract, or of the rights of the Company hereunder, shall be made without the written approval of the Secretary; and

any successor or assign of the rights of the Company, whether by voluntary transfer, judicial sale, trustee's sale, or otherwise, shall be subject to all the conditions of the Project Act as modified by the Adjustment Act, and of the Adjustiment Act, and also subject to all the provisions and conditions of this contract to the same extent as though such successor or assign were the original contractor hereunder, provided, that the execution of a mortgage or trust deed, or judicial or trustee's sale made thereunder, shall not be deemed a voluntary transfer within the meaning of this Article.

NOTICES

26. (a) Any notice, demand or request required or authorized by this contract to be given or made to or upon the United States shall be delivered, or mailed postage prepaid, to the Director of Power, United States Bureau of Reclamation, Boulder City, Nevada, except where, by the terms hereof, the same is to be given or made to or upon the Secretary, in which event it shall be delivered, or mailed postage prepaid, to the Secretary, at Washington, D. C.

(b) Any notice, demand or request required or authorized by this contract to be given or made to or upon the Company shall be delivered, or mailed postage prepaid, to the Manager of the Citizens Utilities Company, Kingman, Arizona.

(c) The designation of any person specified in this article or in any such request for notice, or the address of any such person, may be changed at any time by notice given in the same manner as provided in this article for other notices.

CONTRACT CONTINGENT UPON APPROPRIATIONS

27. This contract is subject to appropriations being made by Congress from time to time of money sufficient to make all payments and to provide for the doing and performance of all things on the part of the United States to be done and performed under the terms hereof, and to there being sufficient money available in the Colorado River Dam fund for such purposes. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient money not being so appropriated, or on account of there not being sufficient money in the Colorado Diver Dam fund for such purposes.

OFFICIALS NOT TO BENEFIT

28. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By HAROLD L. ICKES, *Secretary of the Interior.*

CITIZENS UTILITIES COMPANY,
By JOSEPH CHAPMAN, *President.*

Attest:

H. F. WELCH, *Secretary.*

[CORPORATE SEAL]

Approved as to form:

.....

EVIDENCE OF AUTHORITY TO SIGN CORPORATE INSTRUMENTS

I, H. F. Welch, Secretary of the CITIZENS UTILITIES COMPANY, a corporation organized and existing under the laws of the State of Delaware, do hereby certify that at a duly called meeting of the Board of Directors of said company, at which a quorum of said directors was present, held at Minneapolis, Minnesota, on the 14th day of November, 1941, resolutions were adopted, of which the following is a correct copy:

BE IT RESOLVED By the Board of Directors of Citizens Utilities Company that this company does hereby authorize, confirm, and approve the action of Joseph Chapman, its President, and H. F. Welch, its Secretary, in executing and entering into, in the name and on behalf of this company, the new contract between the United States and this company, in the final form heretofore submitted by the United States, covering the purchase by this company of electric energy generated at Boulder Dam, such new contract having been prepared pursuant to the Boulder Canyon Project Adjustment Act of July 19, 1940, and to replace the contract dated January 7, 1938 (Symbol I1r–1009), between the United States and this company.

RESOLVED FURTHER, That the officers of this company, or their successors in office, be and hereby are further authorized and empowered to execute and enter into, in the name and on behalf of this company, any and all additional contracts, supplemental to the above new contract or otherwise, relating to the purchase by this company of electric energy generated at Boulder Dam as may in the judgment of such officers be or become advisable or appropriate.

I further certify that on the day of the execution of the contract, Joseph Chapman was the President of the said company, and the undersigned, H. F. Welch, was the Secretary of the said company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the said company, this 18th day of November, 1941.

H. F. WELCH, *Secretary.*

[CORPORATE SEAL]

1012

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, a public corporation organized and existing under and by virtue of the laws of the State of California, as evidence of its consent to and approval of this contract, has caused its corporate name to be subscribed hereto by its officers thereunto duly authorized as of the day and year first above written.

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA,
By JULIAN HINDS,
General Manager and Chief Engineer.

Attest:
A. L. GRAM,
Executive Secretary of the Metropolitan Water District of Southern California.

[CORPORATE SEAL]

Approved as to Form and Execution:
JAMES H. HOWARD, *General Counsel.*

833942—50—63

RESOLUTION NO. 3393

WHEREAS, under date of January 7, 1938, the United States of America entered into a contract with Citizens Utilities Company for the sale of electrical energy to be generated at Boulder Dam power plant and allotted to The Metropolitan Water District of Southern California, and the consent to, and approval of, said contract, attached thereto, was executed by the District pursuant to Resolution No. 2602, adopted by this Board on January 14, 1938; and

WHEREAS, pursuant to the provisions of the Boulder Canyon Project Adjustment Act, the United States of America now proposes to enter into a contract with said Citizens Utilities Company, for the sale of electrical energy to be generated at Boulder Dam power plant and allotted to The Metropolitan Water District of Southern California, and terminating said contract of January 7, 1938, in the form submitted with the letter from the General Manager and Chief Engineer to this Board dated October 24, 1941; and

WHEREAS, it has been found by this Board that the interests of the District will be best served if said contract is entered into:

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of The Metropolitan Water District of Southern California, that said District hereby consents to, and approves, the said contract between the United States of America and Citizens Utilities Company, in the form so submitted to this Board and that the General Manager and Chief Engineer of the District be, and he hereby is, authorized and directed to execute the consent to, and approval of, said contract attached thereto, and that the Executive Secretary of the District be, and he hereby is, authorized and directed to attest the signature of the General Manager and Chief Engineer, and to affix to said consent the corporate seal of the District.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California, at its meeting held October 24, 1941.

(S) A. L. GRAM,
Executive Secretary of the Metropolitan Water District of Southern California.

[SEAL]

LIST OF EXHIBITS

Exhibit MWD—Contract for the Sale of Electrical Energy between The United States of America and The Metropolitan Water District of Southern California.

Exhibit 1—Contract for the Operation of Boulder Power Plant between

The United States of America and The City of Los Angeles and its Department of Water and Power, and Southern California Edison Company Ltd.

Exhibit "A"—Specifications of Properties of the United States to be Operated, Maintained and Replaced by The City of Los Angeles.

Exhibit "B"—Specifications of Properties of the United States to be Operated, Maintained and Replaced by the Southern California Edison Company Ltd.

Exhibit 2—General Regulations for Generation and Sale of Power in Accordance with the Boulder Canyon Project Adjustment Act.

[ITEM 90]

BOULDER CANYON PROJECT

CONTRACT FOR THE RESALE OF ELECTRICAL ENERGY TO BE DEVELOPED AT BOULDER DAM POWER PLANT

THE UNITED STATES

AND SEVERALLY

DEFENSE PLANT CORPORATION

THE CITY OF LOS ANGELES

SOUTHERN CALIFORNIA EDISON COMPANY LTD.

METROPOLITAN WATER DISTRICT

OF SOUTHERN CALIFORNIA

MAY 1, 1944

(Ilr–1389)

1. THIS CONTRACT, made this first day of May, 1944, between THE UNITED STATES OF AMERICA (hereinafter referred to as the "United States"), acting for this purpose by ABE FORTAS, Acting Secretary of the Interior (hereinafter

referred to as the "Secretary"), and, severally, DEFENSE PLANT CORPORATION (hereinafter referred to as "Defense Plant"), a corporation created by Reconstruction Finance Corporation pursuant to Section 5d of the Reconstruction Finance Corporation Act, as amended; THE CITY OF LOS ANGELES, a municipal corporation of the State of California, and its DEPARTMENT OF WATER AND POWER (said Department acting herein in the name of the City, but as principal in its own behalf as well as in behalf of the City, the term "City," as used herein, being deemed to include both the City of Los Angeles and its Department of Water and Power); SOUTHERN CALIFORNIA EDISON COMPANY LTD., a private corporation organized and existing under the laws of the State of California (hereinafter referred to as "Edison Company"); and THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, a public corporation organized and existing under the laws of the State of California hereinafter referred to as the "District");

WITNESSETH THAT:

EXPLANATORY RECITALS

2. WHEREAS, pursuant to the provisions of the Act of Congress approved December 21, 1928 (45 Stat. 1057), designated the Boulder Canyon Project Act (hereinafter referred to as the "Project Act"), the United States heretofore entered into a contract with the District, of date April 26, 1930 (Symbol and No. I1r–647), for the purchase by and delivery to the District, under the terms and conditions therein stated, of certain electrical energy to be developed at Boulder Power Plant, which said contract was amended by supplemental contracts of dates May 31, 1930, and July 13, 1938; and

3. WHEREAS, pursuant to the Act of Congress approved July 19, 1940 (54 Stat. 774), designated the Boulder Canyon Project Adjustment Act (hereinafter referred to as the "Adjustment Act"), the District, under date of May 29, 1941, entered into a contract (Symbol and No. I1r–1336), covering the delivery of electrical energy to it under the terms and provisions of the Adjustment Act; and

4. WHEREAS, the District heretofore declared its inability for the period ending May 31, 1945, to use substantial quantities of the firm energy required to be taken and/or paid for by it under the provisions of the aforesaid contract of May 29, 1941, for the only purpose for which energy was allocated to and purchased by the District, namely, for pumping water into and in its aqueduct, and by contract between the United States and Defense Plant dated May 9, 1942 (Symbol and No. I1r–1389), a portion of such energy was sold to Defense Plant, and Defense Plant now desires that it be relieved of its obligation to take and/or pay for 179,000,000 kw.-hr. of such energy during the year ending May 31, 1945; and

5. WHEREAS, in addition to firm energy heretofore sold for its account, the

District will be unable during the month of May, 1944, to use 34,344,936 kw.-hr., and during the year ending May 31, 1945, it will be unable to use 250,000,000 kw.-hr. of the firm energy it is required to take and/or pay for under the provisions of the said contract of May 29, 1941, and has requested the Secretary to resell such energy for its account; and

6. WHEREAS, under the provisions of the General Regulations for Generation and Sale of Power in accordance with the Adjustment Act, approved by the Secretary under date of May 20, 1941 (hereinafter referred to as the "General Regulations"), the City, Edison Company and The California Electric Power Company (successor in interest to The Nevada-California Electric Corporation), have optional rights covering the purchase by them of unused District energy, but the City and Edison Company, only, desire to exercise such optional rights as to the energy now available for resale as aforesaid;

7. NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to wit:

REDUCTION IN DEFENSE PLANT'S OBLIGATIONS AND CANCELLATION OF OPTION

8. The amount of firm energy which Defense Plant is required to take and/or pay for during the year ending May 31, 1945, under the provisions of said contract of May 9, 1942 (Symbol and No. I1r–1389), is hereby reduced from 1,100,000,000 kw.-hr. to 921,000,000 kw.-hr. Defense Plant's option under the provisions of Article 103 of Exhibit DPC of said contract of May 9, 1942, to take firm energy allocated to, but unused by, the District in excess of the amounts thereof theretofore sold by the Secretary to parties other than the District, and the amounts thereof designated in Article 101 of said Exhibit DPC, and its obligation to meet its requirements for more electrical energy by the exercise of such option before meeting such requirements from other sources of power, are hereby cancelled as to the parties hereto, effective as of the date hereof. Defense Plant agrees that in the event its requirements for electrical energy for the operation of its magnesium plant near Las Vegas, Nevada, during the year ending May 31, 1945, exceed 1,150,000,000 kw.-hr., it will, in advance of such requirement, negotiate with the City and Edison Company, through the Secretary, for such additional energy.

SALE OF ENERGY

9. (a) The United States agrees, subject to all the terms and conditions of the contract between the United States and the District of May 29, 1941 (Symbol and No. I1r–1336), that of the firm energy to be developed at Boulder Power Plant and heretofore allocated to and contracted for by the District, (i) the City may, and the City agrees that it will, during the month

of May, 1944, take and/or pay for 19,883,898 kw.-hr., and (ii) Edison Company may, and it agrees that it will, during the month of May, 1944, take and/or pay for 14,461,038 kw.-hr.

(b) The United States agrees, subject to all the terms and conditions of said contract of May 29, 1941 (Symbol and No. I1r–1336), that of the firm energy to be developed at Boulder Power Plant and heretofore allocated to and contracted for by the District, (i) the City may, and the City agrees that it will, during the year ending May 31, 1945, take and/or pay for 248,369,000 kw.-hr., and (ii) Edison Company may, and it agrees that it will, during the year ending May 31, 1945, take and/or pay for 180,631,000 kw.-hr.

DELIVERY OF ELECTRICAL ENERGY

10. Energy will be delivered to the City and to Edison Company at transmission voltage at Boulder Power Plant. The generation of energy disposed of to the City and to Edison Company under this contract and the determination and distribution of generating charges relating thereto shall be in accordance with the terms and conditions of the General Regulations, and in accordance with the contract between the United States and the City and Edison Company for the operation of Boulder Power Plant, dated May 29, 1941 (Symbol and No. I1r–1333), hereinafter referred to as the "Agency Contract."

DELIVERY OF WATER FOR GENERATION OF ELECTRICAL ENERGY

11. (a) Subject to:

(i) The statutory requirement that Boulder Dam and the reservoir created thereby shall be used: First, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of perfected rights mentioned in Section 6 of the Project Act; and third, for power; and

(ii) The further statutory requirement that this contract is made upon the express condition and with the express covenant that the rights of the City and Edison Company, as contractors for electrical energy, to the use of the waters of the Colorado River, or its tributaries, shall be subject to and controlled by the Colorado River Compact;

the United States will deliver water in the quantity, in the manner, and at the times necessary for the generation of the energy to which the City and Edison Company are entitled under this contract, in accordance with the provisions of Article 20 of the Agency Contract, entitled "Integration of Operations." If said Agency Contract should be terminated as to the City or as to Edison Company prior to the termination of this contract, the United States will itself generate and deliver energy, subject to (i) and (ii) above, in the manner required by this contract, in the quantity to which either the City or Edison Company is entitled hereunder and in accordance with the City's and/or Edison Company's load requirements.

(b) The United States reserves the right temporarily to discontinue or reduce the delivery of water for the generation of electrical energy at any time for the purpose of maintenance, repairs and/or replacements, or installation of equipment, at the Project, and for investigations and inspections necessary thereto; provided, however, that the United States shall, except in case of emergency, give to the City and to Edison Company reasonable notice in advance of such temporary discontinuance or reduction, and that the United States shall make such inspections and perform such maintenance and repair work, after consultation with the City and/or Edison Company, at such times and in such manner, consistent with any program of integrated operations established under the provisions of Article 20 of said Agency Contract, as to cause the least inconvenience to the City and/or Edison Company, and that the United States shall prosecute such work with diligence, and, without unnecessary delay, resume delivery of water so discontinued or reduced.

(c) Should the delivery of water, for any reason or cause, other than any act or omission of the City or Edison Company, be discontinued or reduced below the amount required for the generation of firm energy in accordance with the provisions of this contract, the total number of hours of such discontinuance or reduction in any year shall be determined by taking the sum of the number of hours during which the delivery of water is totally discontinued, plus the product of the number of hours during which the delivery of water is partially reduced and the percentage of said partial reduction below the actual quantity of water required for generation of firm energy. Total or partial reductions in the delivery of water which do not reduce the power output below the amount required at the time for generation of firm energy under any program of integrated operations established under Article 20 of said Agency Contract, or, if said Agency Contract be terminated as to either the City or Edison Company, below the amount required at the time for the City's or for Edison Company's load requirements, as the case may be, will not be considered in determining the total hours of discontinuance in any year. The minimum annual payment specified in Article 15 hereof shall be reduced by the ratio that the total number of hours of such discontinuance bears to eight thousand seven hundred sixty (8,760).

(d) In no event shall any liability accrue against the United States, its officers, agents and/or employees for any damage, direct or indirect, arising on account of drought, hostile diversion, Act of God or the public enemy, or other similar cause; nevertheless interruptions in delivery of water occasioned by such causes shall be governed as provided in this Article 11.

MEASUREMENT OF ENERGY

12. All electrical energy required to be taken and/or paid for by the City or by Edison Company under the provisions hereof shall be measured at

generator voltage. Suitable correction shall be made in the amounts of energy as measured at generator voltage to cover step-up transformer losses. The electrical energy delivered hereunder during any period in which the meters furnished to measure such electrical energy fail to register shall, for billing purposes, be estimated from the best information available. The testing of meters and the calibration of testing equipment shall be in accordance with Article 19 of the Agency Contract. If said contract shall be terminated as to either the City or Edison Company, the same provisions shall apply as nearly as may be.

ENERGY RATES AND CHARGES

13. The rates and charges to be paid by the City and by Edison Company, for credit to the District, for electrical energy under this contract shall be the rates and charges for firm energy determined in accordance with the General Regulations.

BILLING AND PAYMENTS

14. (a) The amount of energy agreed to be taken and/or paid for by the City and by Edison Company during the month of May, 1944, under the terms of this contract as stated in Article 9 hereof shall, in each instance, be added to the minimum quantity of firm energy which each is required to take and/or pay for during said month under the provisions of their contracts with the United States dated May 29, 1941, and designated, respectively, Symbol and Numbers I1r–1334 and I1r–1335. The total quantity of firm energy as thus determined, in each instance, shall then be billed to the City and to Edison Company and paid for by each, including the costs of generation thereof, in the same manner and at the same time as firm energy, and the costs of generation thereof, are required to be billed to and paid for under the provisions of Article 13 (a) of said contract between the United States and the City (Symbol and No. I1r–1334), and under the provisions of Article 12 of said contract between the United States and Edison Company (Symbol and No. I1r–1335).

(b) The amount of energy agreed to be taken and/or paid for by the City and by Edison Company during the year ending May 31, 1945, under the terms of this contract as stated in Article 9 hereof shall, in each instance, be added to the minimum quantity of firm energy which each is required to take and/or pay for during said year under the terms of their contracts with the United States dated May 29, 1941, and designated, respectively, Symbol and Numbers I1r–1334 and I1r–1335. The total quantity of firm energy as thus determined, in each instance, shall be billed to the City and to Edison Company and paid for, including the costs of generation thereof, in the same

manner and at the same time as firm energy, and the costs of generation thereof, are required to be billed to and paid for under the provisions of Article 13 (a) of said contract between the United States and the City (Symbol and No. I1r–1334), and under the provisions of Article 12 of said contract between the United States and Edison Company (Symbol and No. I1r–1335).

(c) Anything contained in Paragraphs (a) or (b) of this Article 14, and/or in Article 14 of that certain contract between the United States and the District, dated May 29, 1941 (Symbol and No. I1r–1336) notwithstanding, no interest charge shall attach against the City, the District or Edison Company for nonpayment of bills for energy sold under this contract during the period pending notification in writing from the Director of Power, United States Bureau of Reclamation, Boulder City, Nevada, that this contract has been executed, but after such notification all charges for energy taken during such period shall become subject to such interest charge if payment thereof is not made within twenty (20) days after receipt of such notification.

MINIMUM ANNUAL PAYMENTS

15. The minimum quantities of energy which the City and Edison Company shall each take and/or pay for during the month of May, 1944, and during the year ending May 31, 1945, under the terms of this contract, shall be the quantities set forth in Article 9 hereof. The minimum annual payment, in each instance, shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article 11 hereof.

REMEDIES UNDER CONTRACT NOT EXCLUSIVE

16. Nothing contained in this contract shall be construed as in any manner abridging, limiting or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any provision hereof, or of any other subsequent breach of any provision hereof.

TRANSFER OF INTEREST IN CONTRACT

17. No voluntary transfer of this contract, or of the rights of any of the parties hereunder, shall be made without the written approval of the Secretary, except that Defense Plant may transfer this contract or its rights hereunder to the United States or any Department or Independent Establishment thereof without such approval, and any successor or assign of the rights of any of the parties hereto, whether by voluntary transfer, judicial sale, trustee's sale, or otherwise, shall be subject to all the conditions of the Project Act, as modified

by the Adjustment Act, and of the Adjustment Act, and also subject to all the provisions and conditions of this contract to the same extent as though such successor or assign were the original contractor hereunder; provided, that the execution of a mortgage or trust deed, or judicial or trustee's sale made thereunder, shall not be deemed a voluntary transfer within the meaning of this article.

DISPUTES AND DISAGREEMENTS

18. Disputes or disagreements between the United States and any party to this contract as to the interpretation or performance of the provisions hereof shall be determined either by arbitration or court proceedings. If in any such arbitration or court proceedings or otherwise any sum or amount paid by the City or by Edison Company on the demand or bill of the United States under this contract shall be held not to have been due or owing, payment shall not be deemed to have been voluntary, and such sum or amount shall be refunded. Whenever a controversy between the United States and any other party hereto arises out of this contract, and the disputants agree to submit the matter to arbitration, the Secretary shall name one arbitrator and the other party to such dispute or disagreement shall name one arbitrator and the two arbitrators thus chosen shall select a third arbitrator, but in the event of their failure to name such third arbitrator within five (5) days after their first meeting, such third arbitrator shall be named by the Chief Justice of the Supreme Court of the United States. The decision of any two of such arbitrators shall be a valid award of the arbitrators, and shall be final and binding as to the disputants.

NOTICES

19. (a) Any notice, demand or request required or authorized by this contract to be given or made to or upon the United States shall be delivered, or mailed postage prepaid, to the Director of Power, United States Bureau of Reclamation, Boulder City, Nevada, except where, by the terms hereof, the same is to be given or made to or upon the Secretary, in which event it shall be delivered, or mailed postage prepaid, to the Secretary, at Washington, D. C.

(b) Any notice, demand or request required or authorized by this contract to be given or made to or upon Defense Plant shall be delivered, or mailed postage prepaid, to the local representative of Defense Plant Corporation, Las Vegas, Nevada.

(c) Any notice, demand or request required or authorized by this contract to be given or made to or upon the City shall be delivered, or mailed postage prepaid, to the General Manager and Chief Engineer, Department of Water and Power, Los Angeles, California.

(d) Any notice, demand or request required or authorized by this contract to be given or made to or upon Edison Company shall be delivered, or mailed

postage prepaid, to the Chief Engineer, Southern California Edison Company Ltd., Los Angeles, California.

(e) Any notice, demand or request required or authorized by this contract to be given or made to or upon the District shall be delieverd, or mailed postage prepaid, to the General Manager and Chief Engineer of The Metropolitan Water District of Southern California, Los Angeles, California.

(f) The designation of any person specified in this article or in any demand or request, or the address of any such person, may be changed at any time by notice given in the same manner as provided in this article for other notices.

CONTRACT CONTINGENT UPON APPROPRIATIONS

20. This contract is subject to appropriations being made by Congress from time to time of money sufficient to make all payments and to provide for the doing and performance of all things on the part of the United States to be done and performed under the terms hereof, and to there being sufficient money available in the Colorado River Dam fund for such purposes. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient money not being so appropriated or on account of there not being sufficient money in the Colorado River Dam fund for such purposes.

PRIORITY OF CLAIMS OF THE UNITED STATES

21. Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured.

TITLE TO REMAIN IN THE UNITED STATES

22. As provided in Section Six (6) of the Project Act, the title to Boulder Dam, Lake Mead, Boulder Power Plant, and incidental works, shall forever remain in the United States.

CONTRACT OF MAY 9, 1942 (SYMBOL AND NO. ILR–1389) TO REMAIN IN EFFECT EXCEPT AS EXPRESSLY AMENDED

23. Except as expressly modified by the terms hereof, the aforesaid contract between the United States and Defense Plant of May 9, 1942 (Symbol and No. I1r–1389), shall be and remain in full force and effect.

OFFICIALS NOT TO BENEFIT

24. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By ABE FORTAS, *Acting Secretary of the Interior.*

DEFENSE PLANT CORPORATION,
By G. F. BUSKIE, *Vice President.*

[SEAL]

Attest:
LEO NIELSON, *Secretary.*

THE CITY OF LOS ANGELES, acting by and through its Board of Water and Power Commissioners.
By R. A. HEFFNER, *President.*

[SEAL]

Attest:
JOSEPH L. WILLIAMS, *Secretary.*

Authorized by Res. 24,
May 13, 1944.

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, by the Board of Water and Power Commissioners,
By R. A. HEFFNER, *President.*

[SEAL]

Attest:
JOSEPH L. WILLIAMS, *Secretary.*

Approved as to form and legality
this 27 day of Sept., 1944.
RAY L. CHESEBRO, *City Attorney.*
By MARK A. HALL, *Assistant City Attorney.*

SOUTHERN CALIFORNIA EDISON COMPANY, LTD.,
By HARRY J. BAUER, *President.*

[SEAL]

Attest:
CLIFTON PETERS, *Secretary.*

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA,
By JULIAN HINDS,
General Manager and Chief Engineer.

[SEAL]

Attest:
A. L. GRAM, *Executive Secretary.*

Approved as to form:
JAMES H. HOWARD, *General Counsel.*

RESOLUTION NO. 24

WHEREAS, Metropolitan Water District of Southern California has declared its inability for the period ending May 31, 1945, to use substantial quantities of the firm Boulder energy required to be taken and/or paid for by it under its contract with the United States, a portion of such energy having been sold to Defense Plant Corporation, and Defense Plant Corporation now desiring to be relieved of its obligation and to take and/or pay for 179,000,000 kwh of such energy during the year ending May 31, 1945; and

WHEREAS, in addition to the firm energy hereinabove mentioned, the District was unable during the month of May, 1944, to use 34,344,936 kwh of such firm Boulder energy; and during the year ending May 31, 1945, it will be unable to use 250,000,000 kwh of such firm Boulder energy all of which it is required to take and/or pay for and has requested the Secretary to resell such energy for its account; and

WHEREAS, this Department, acting by and through its General Manager and Chief Engineer, has agreed to purchase at Boulder firm rate, subject to the execution of a satisfactory contract covering the same, 19,883,898 kwh of such Boulder firm energy allotted to the Metropolitan Water District which it was unable to use during the month of May, 1944, and 248,369,000 kwh of Boulder firm energy allotted to the Metropolitan Water District which it will be unable to use during the operating year ending May 31, 1945.

NOW, THEREFORE, BE IT RESOLVED, That the President or Vice-President and the Secretary of this Board be and they are authorized, acting in behalf of the Department of Water and Power, to execute a contract between the United States of America, and severally, Defense Plant Corporation, The City of Los Angeles, and its Department of Water and Power, Southern California Edison Company Ltd., and the Metropolitan Water District of Southern California; providing, amongst other things:

1. For the purchase by this Department at Boulder firm rate the aforementioned amounts of energy generated at the Boulder project which have been offered to it by the Secretary of the Interior;

2. That such energy shall be added to the minimum quantity of firm energy

which the City is required to take and/or pay for under its contract with the United States, dated May 29, 1941, and the same shall be billed and paid for in accordance with the provisions of said contract, except that there shall be no interest charges added by way of penalties for failure to pay for such energy until after the execution of such contract;

3. For the reduction in Defense Plant's obligation to take Metropolitan Water District unused Boulder energy as fixed in the contract dated May 9, 1942, between these and other parties, and the requirement that in the event Defense Plant requires additional energy for use for the Magnesium Plant near Las Vegas, Nevada, it will negotiate with the City and the Edison Company, through the Secretary, for such additional energy.

AND BE IT FURTHER RESOLVED, That the Auditor and Chief Accounting Employee of this Department be and he is authorized upon certification by the General Manager and Chief Engineer to authenticate and deliver demands upon the Power Revenue Fund in payment for such of the electric energy taken by this Department under the aforementioned contract and for which the Department has been billed in accordance with the provisions thereof.

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of a resolution adopted by the Board of Water and Power Commissioners of The City of Los Angeles at its meeting held JUL 13, 1944.

JOSEPH L. WILLIAMS, *Secretary.*

[SEAL]

833942—50—66

RESOLUTION NO. 3527

WHEREAS, there has been presented to this Board a form of contract dated May 1, 1944, wherein there are named as parties THE UNITED STATES OF AMERICA, DEFENSE PLANT CORPORATION, THE CITY OF LOS ANGELES and its DEPARTMENT OF WATER AND POWER (hereinafter collectively referred to as "the City"), SOUTHERN CALIFORNIA EDISON COMPANY LTD., and THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA; and wherein the amount of firm energy which Defense Plant Corporation is required to take and/or pay for during the operating year ending May 31, 1945, under the provisions of a certain contract of May 9, 1942 (symbol and number Ilr–1389) is reduced from 1,100,000,000 kilowatthours to 921,000,000 kilowatthours, and the option of Defense Plant Corporation set out in said contract to take certain additional energy is canceled; and wherein the City and Southern California Edison Company Ltd. agree to pay for at the firm rate 34,344,936 kilowatthours used during the month of May, 1944; and wherein the District relinquishes 250,000,000 kilowatthours of energy alloted to the District for the operating year ending May 31, 1945, and the City and Southern California Edison Company Ltd. agree to take and/or pay for at the firm rate the aggregate of 179,000,000 kilowatthours relinquished by the Defense Plant Corporation and 250,000,000 kilowatthours relinquished by the District; and

WHEREAS, the best interest of the District requires that said form of contract be approved, and its execution authorized:

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Metropolitan Water District of Southern California, that the form of the contract referred to in the recitals hereof be approved, and that the General Manager and Chief Engineer of the District be, and he hereby is, authorized and directed to execute the said contract on behalf of the District, and that the Executive Secretary of the District be, and he hereby is, authorized and directed to attest the signature of the General Manager and Chief Engineer, and to affix to said contract the corporate seal of the District.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a resolution of the Board of Directors of The Metropolitan Water District of Southern California, adopted at its meeting held October 6, 1944.

A. L. GRAM,
Executive Secretary of The Metropolitan Water District of Southern California.

RESOLUTION OF THE BOARD OF DIRECTORS OF SOUTHERN CALIFORNIA EDISON COMPANY LTD.

Adopted September 29, 1944

RE: CONTRACT OF MAY 1, 1944 FOR THE RESALE OF ELECTRICAL ENERGY TO BE DEVELOPED AT BOULDER DAM POWER PLANT.

BE IT RESOLVED, by the Board of Directors of this corporation, that the President, or any one of the Vice-Presidents, and the Secretary, or any one of the Assistant Secretaries of this corporation, be and they hereby are authorized to execute, for and on behalf of this corporation, that certain contract, bearing date of May 1, 1944, between the United States of America, Defense Plant Corporation, City of Los Angeles and its Department of Water and Power, the Metropolitan Water District of Southern California, and Southern California Edison Company Ltd., providing, among other things, that the amount of firm energy which Defense Plant is required to take and/or pay for during the year ending May 31, 1945, under the provision of that certain contract between the United States and Defense Plant, dated May 9, 1942 (Symbol and No. Ilr–1389), be reduced from 1,100,000,000 kilowatt hours to 921,000,000 kilowatt hours, and providing for the sale to the City and to Edison Company, respectively, of the following amounts of the firm energy to be developed at Boulder Power Plant and heretofore allocated to and contracted for by the District; during the month of May, 1944, 19,883,898 kilowatt hours to the City and 14,461,038 kilowatt hours to Edison Company; during the year ending May 31, 1945, 248,369,000 kilowatt hours to the City and 180,631,000 kilowatt hours to Edison Company.

I, Clifton Peters, Secretary of SOUTHERN CALIFORNIA EDISON COMPANY LTD., do hereby certify that the foregoing is a full, true and correct copy of a resolution of the Board of Directors of said corporation, unanimously adopted at a meeting of said Board of Directors duly called and held on the 29th day of September, 1944.

WITNESS my hand and the seal of said corporation this 29th day of September, 1944.

CLIFTON PETERS, *Secretary,*
Southern California Edison Company Ltd.

[SEAL]

RESOLUTION

RESOLVED, that the President, Executive Vice President, or a Vice President, be and hereby is authorized and directed to execute for and on behalf of this Corporation, a certain agreement and contract bearing date May 1, 1944, between the United States of America acting by the Secretary of the Interior and, severally, Defense Plant Corporation, the City of Los Angeles and its Department of Water and Power, Southern California Edison Company, Ltd., and the Metropolitan Water District of Southern California, providing, among other things, for the disposition and resale by the Secretary of the Interior, at firm power rates, to the City of Los Angeles and its Department of Water and Power and to Southern California Edison Company, Ltd., of 179,000,000 kilowatt hours from the 1,100,000,000 kilowatt hours of so-called "Metropolitan unused" power and energy which Defense Plant Corporation had obligated itself to take and/or pay for under contracts dated May 9, 1942, and that the Secretary or an Assistant Secretary of this Corporation be and hereby is authorized and directed to affix the seal of this Corporation and to attest the same.

The foregoing resolution was duly adopted by the Board of Directors of Defense Plant Corporation on the 27th day of October, 1944.

LEO NIELSON, *Secretary,*
Defense Plant Corporation.

[SEAL]

[ITEM 91]

BOULDER CANYON PROJECT

CONTRACT FOR THE RESALE OF ELECTRICAL ENERGY TO BE DEVELOPED AT BOULDER DAM POWER PLANT

THE UNITED STATES

AND SEVERALLY

DEFENSE PLANT CORPORATION

THE CITY OF LOS ANGELES

SOUTHERN CALIFORNIA EDISON COMPANY LTD.

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

CALIFORNIA ELECTRIC POWER COMPANY

OCTOBER 1, 1944

(I1r–1389)

1. THIS CONTRACT, made this first day of October, 1944, between THE UNITED STATES OF AMERICA (hereinafter referred to as the "United States"), acting for this purpose by Harold L. Ickes, Secretary of the Interior (hereinafter referred to as the "Secretary"), and, severally, DEFENSE PLANT CORPORATION (hereinafter referred to as "Defense Plant"), a corporation created by Reconstruction Finance Corporation pursuant to Section 5d of the Reconstruction Finance Corporation Act, as amended; THE CITY OF LOS ANGELES, a municipal corporation of the State of California, and its DEPARTMENT OF WATER AND POWER (said Department acting herein in the name of the City, but as principal in its own behalf as well as in behalf of the City, the term "City," as used herein, being deemed to include both the City of Los Angeles and its Department of Water and Power); SOUTHERN CALIFORNIA EDISON COMPANY LTD., a private corporation organized and existing under the laws of the State of California (hereinafter referred to as "Edison Company"); THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, a public corporation organized and existing under the laws of the State of California (hereinafter referred to as the "District"); and CALIFORNIA ELECTRIC POWER COMPANY (formerly The Nevada-California Electric Corporation and successor to The Southern Sierras Power Company), a private corporation organized and existing under the laws of the State of Delaware (hereinafter referred to as "California Electric");

WITNESSETH THAT:

EXPLANATORY RECITALS

2. WHEREAS, pursuant to the provisions of the Act of Congress approved December 21, 1928 (45 Stat. 1057), designated the Boulder Canyon Project Act (hereinafter referred to as the "Project Act"), the United States heretofore entered into a contract with the District, of date April 26, 1930 (Symbol and No. I1r–647), for the purchase by and delivery to the District, under the terms and conditions therein stated, of certain electrical energy to be developed at Boulder Power Plant, which said contract was amended by supplemental contracts of dates May 31, 1930, and July 13, 1938; and

3. WHEREAS, pursuant to the Act of Congress approved July 19, 1940 (54 Stat. 774), designated the Boulder Canyon Project Adjustment Act (hereinafter referred to as the "Adjustment Act"), the District, under date of May 29, 1941, entered into a contract (Symbol and No. I1r–1336), covering the delivery of electrical energy to it under the terms and provisions of the Adjustment Act; and

4. WHEREAS, the District heretofore declared its inability for the period ending May 31, 1945, to use substantial quantities of the firm energy required

to be taken and/or paid for by it under the provisions of the aforesaid contract of May 29, 1941, for the only purpose for which energy was allocated to and purchased by the District, namely, for pumping water into and in its aqueduct, and by contract between the United States and Defense Plant dated May 9, 1942 (Symbol and No. I1r–1389), a portion of such energy was sold to Defense Plant; and

5. WHEREAS, in pursuance of request therefor by Defense Plant and by contract by and between the United States, Defense Plant, City, Edison Company and the District, dated the first day of May, 1944 (Symbol and No. I1r–1389), Defense Plant was relieved of its obligation to take and/or pay for energy under the aforesaid contract dated May 9, 1942 (Symbol and No. I1r–1389), during the contract year ending May 31, 1945, in the amount of 179,000,000 k.w.h., and said 179,000,000 k.w.h., together with certain other unused District energy, was sold to the City and to Edison Company by said contract dated May 1, 1944; and

6. WHEREAS, Defense Plant now desires to release for resale two additional blocks of the energy it is obligated to take and/or pay for under the said contract of May 9, 1942 (Symbol and No. I1r–1389), namely, Block A in the amount of 240,000,000 k.w.h. and Block B in the amount of 470,000,000 k.w.h., and has requested the Secretary to resell such energy as District unused energy and to credit the proceeds from the sale thereof on the obligations of Defense Plant Corporation under said contract of May 9, 1942; and

7. WHEREAS, under the provisions of the General Regulations for Generation and Sale of Power in accordance with the Adjustment Act, approved by the Secretary under date of May 20, 1941 (hereinafter referred to as the "General Regulations") the City, Edison Company, and California Electric have optional rights covering the purchase by them of unused District energy, and each desires, to the extent hereinafter set forth, to exercise such optional rights as to the energy now available for resale as aforesaid; and

8. WHEREAS, in order to utilize any of the energy designated in Article 6 hereof as Block A and Block B, on its system, Edison Company requires the use of Section G-7 and Section T-7, and associated switching facilities, installed at Boulder Power Plant pursuant to the provisions of contract dated May 9, 1942 (Symbol and No. I1r–1387), entitled "Agreement Arranging Power Supply for Defense Plant Corporation," and to that end Defense Plant is willing, subject to the conditions hereinafter stated, to permit said sections to be used for the benefit of Edison Company;

9. NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to wit:

RELEASE OF ENERGY BY DEFENSE PLANT

10. Defense Plant releases its rights to a portion of the energy heretofore agreed to be taken and/or paid for by it pursuant to the provisions of contract

dated May 9, 1942 (Symbol and No. I1r–1389), as amended by contract bearing similar symbol and number, and dated May 1, 1944, and designated in Article 6 hereof as Block A and Block B, and agrees that such blocks of energy may be resold by the United States as District unused energy. The United States agrees that all amounts actually received by it from the resale of said blocks of energy, or any portion thereof, will be credited upon the obligations of Defense Plant under the aforesaid contract of May 9, 1942.

SALE OF ENERGY

11. (a) During the remainder of the contract year ending May 31, 1945, and subject to the conditions hereinafter stated, the United States (1) will make available to the City and the City may take, under the conditions hereinafter stated, 132,000,000 k.w.h. of Block A energy and 258,500,000 k.w.h. of Block B energy; (2) will make available to Edison Company and Edison Company may take, under the conditions hereinafter stated, 96,000,000 k.w.h. of Block A energy and 188,000,000 k.w.h. of Block B energy; and (3) will make available to California Electric, and California Electric may take, under the conditions hereinafter stated, 12,000,000 k.w.h. of Block A energy and 23,500,000 k.w.h. of Block B energy.

(b) The City will take and pay for at the rate for firm energy so much of its portion of said Block A energy as it finds practicable to take, in addition to:

(i) All firm energy which it is obligated to take and/or pay for under contract dated May 29, 1941 (Symbol and No. I1r-1335), and under contract dated May 1, 1944 (Symbol and No. I1r-1389);

(ii) All secondary energy which it is obligated to take and/or pay for under said contract dated May 29, 1941;

(iii) All secondary energy which it has the right and option to take under said contract dated May 29, 1941, up to the amount of such secondary energy which may be available to it during the current contract year under the determinations of the Secretary, or his duly authorized representative, and the representatives of the Operating Agents, programming the integration of operations pursuant to the provisions of Article 20 (b) (ii) of the Agency Contract, or in the event of arbitration pursuant to said Article 20 (b) (ii), or of a determination by the Secretary pursuant to Article 20 (b) (iii) of said Agency Contract, then under any determination by the arbitrators, or by the Secretary.

(c) In addition to its portion of said Block A energy, but only after energy as set forth in paragraphs (i), (ii) and (iii) of subdivision (b) of this article has been taken by it, and after the City has taken all of its portion of Block A energy at the rate for firm energy, the City will take and pay for at the rate for secondary energy so much of its portion of said Block B energy as it finds practicable to take.

(d) Edison Company will take and/or pay for at the rate for firm energy 96,000,000 k.w.h. of Block A energy, in addition to:

(i) All firm energy which it is obligated to take and/or pay for under contract dated May 29, 1941 (Symbol and No. I1r-1335), and under contract dated May 1, 1944 (Symbol and No. I1r-1389);

(ii) All secondary energy which it has the right and option to take under said contract dated May 29, 1941, up to the amount of such secondary energy which may be available to it during the current contract year under the determinations of the Secretary, or his duly authorized representative, and the representatives of the Operating Agents, programming the integration of operations pursuant to the provisions of Article 20 (b) (ii) of the Agency Contract, or in the event of arbitration pursuant to said Article 20 (b) (ii), or of a determination by the Secretary pursuant to Article 20 (b) (iii) of said Agency Contract, then under any determination by the arbitrators, or by the Secretary.

(e) In addition to its portion of Block A energy, but only after energy as set forth in paragraphs (i) and (ii) of subdivision (d) of this article has been taken by it, Edison Company will take and pay for at the rate for secondary energy so much of its portion of said Block B energy as it finds practicable to take.

(f) California Electric will take and pay for at the rate for firm energy so much of its portion of said Block A energy as it finds practicable to take, in addition to:

(i) All firm energy which it is obligated to take and/or pay for under contract dated May 29, 1941 (Symbol and No. I1r-1341);

(ii) All secondary energy which it has the right and option to take under said contract dated May 29, 1941, up to the amount of such secondary energy which may be available to it during the current contract year under the determinations of the Secretary, or his duly authorized representative, and the representatives of the Operating Agents, programming the integration of operations pursuant to the provisions of Article 20 (b) (ii) of the Agency Contract, or in the event of arbitration pursuant to said Article 20 (b) (ii), or of a determination by the Secretary pursuant to Article 20 (b) (iii) of said Agency Contract, then under any determination by the arbitrators, or by the Secretary.

(g) In addition to its portion of said Block A energy, but only after energy as set forth in paragraphs (i) and (ii) of subdivision (f) of this article has been taken by it, and after California Electric has taken all of its portion of Block A energy at the rate for firm energy, California Electric will take and pay for at the rate of secondary energy so much of its portion of Block B energy as it finds practicable to take.

(h) Notwithstanding the foregoing provisions of this Article with respect to Block B energy, the United States reserves the right at any time to dispose of all or any part thereof to any party that will firmly agree to take all or any part thereof at a rate equal to or higher than the current rate for secondary energy, unless upon thirty (30) days' written notice to the City, Edison Company and California Electric they or any of them shall firmly agree, to take and/or pay for, at the same rate, the quantity of energy so proposed to be sold. In the event

of such disposal of Block B energy such energy shall be released by the City, Edison Company and California Electric in the following proportions; 55% by the City, 40% by Edison Company, and 5% by California Electric, and thereupon the quantities of Block B energy made available to the City, Edison Company and California Electric, as stated in subdivision (a) of this Article, shall be reduced accordingly.

DELIVERY OF ELECTRICAL ENERGY

12. Energy will be delivered to the City, to Edison Company and to California Electric at transmission voltage at Boulder Power Plant. The generation of energy disposed of to the City, to Edison Company and to California Electric under this contract and the determination and distribution of generating charges relating thereto, except as otherwise provided in Article 14 hereof, shall be in accordance with the terms and conditions of the General Regulations, and in accordance with the contract between the United States and the City and Edison Company for the operation of Boulder Power Plant, dated May 29, 1941 (Symbol and No. I1r–1333), herein referred to as the "Agency Contract".

MEASUREMENT OF ENERGY

13. All electrical energy taken by the City, by Edison Company, or by California Electric under the provisions hereof shall be measured at generator voltage. Suitable correction shall be made in the amounts of energy as measured at generator voltage to cover step-up transformer losses. The electrical energy delivered hereunder during any period in which the meters furnished to measure such electrical energy fail to register shall, for billing purposes, be estimated from the best information available. The testing of meters and the calibration of testing equipment shall be in accordance with Article 19 of the Agency Contract. If said contract shall be terminated as to either the City or Edison Company, the same provisions shall apply as nearly as may be.

USE OF SECTION G-7 FOR BENEFIT OF EDISON COMPANY

14. (a) During the term hereof, Section G-7, Section T-7, and associated switching facilities, may be used for the purpose of generating and delivering electric energy to Edison Company at a frequency of fifty (50) cycles per second, subject, however, to load limitations placed thereon from time to time by the Director of Power in charge of Boulder Power Plant of the Bureau of Reclamation, and subject also, except as hereinafter otherwise provided, to the provisions of the General Regulations, the Agency Contract, and the Agreement Arranging Power Supply for Defense Plant Corporation, dated May 9, 1942 (Symbol and No. I1r–1387). Edison Company agrees to pay the United States, for credit to Defense Plant and the District as hereinafter stated, rental at the rate of Twenty-two Dollars and Fifty Cents ($22.50) per hour of actual

use of said sections for the generation and delivery of electric energy to it, including the time that Section G-7 is out of use while being changed from sixty cycles to fifty cycles, or vice versa, as disclosed by the records of power plant operations of the Operating Agent of the United States to which said sections are assigned for operation under the provisions of the Agency Contract. Said rental rate has been arrived at and established in connection with the use by Edison Company of electric energy being disposed of for the account of Defense Plant, and shall not be considered as establishing a precedent in arriving at a rental rate therefor under other circumstances.

(b) The use of Sections G-7 and T-7 by Edison Company shall at all times be subject to the first call of the District for generation of electric energy for its own purpose, or for generation of electric energy for Defense Plant, during periods when it may become necessary temporarily to discontinue for maintenance purposes, the operation of either Unit N-5 and/or Unit N-6. Such use by the District is referred to as "occasional use of Sections G-7 and T-7". Sections G-7 and T-7 shall be available for use by Edison Company except during such periods of occasional use.

(c) The kilowatt-hours of electric energy generated for Edison Company in Sections G-7 and T-7 shall be paid for by Edison Company upon the same basis as though said energy had been generated on Unit A-5, A-6, or A-7, Sections G-4 and G-6, but shall not be included in the determination and apportionment of generating charges on said Sections G-7 and T7. Generating charges on said Sections G-7 and T-7 shall be determined and apportioned as though such energy were generated in Sections G-4 and G-6 and T-4 and T-6.

(d) Rental charges herein agreed to be paid by Edison Company for the use of Sections G-7 and T-7 shall be paid monthly, and shall be included in monthly bills rendered for other rates and charges to become due from it hereunder, and shall be paid in the same manner, at the same time and under the same conditions as other rates and charges agreed to be paid by it under the provisions of this contract for Block A energy. Such rental charges shall be credited to the account of Defense Plant and the District as received in proportion to their respective interests. The balance of generating charges assigned to Sections G-7 and T-7 shall be apportioned between Defense Plant and the District in accordance with Article 303 and Article 304 of the aforesaid "Agreement Arranging Power Supply for Defense Plant Corporation".

(e) In the event the generation of electric energy on Section G-7 for Edison Company at fifty cycles shall result in cavitation of the runner at a rate in excess of twenty-five cubic inches per month, Edison Company shall pay to the United States the additional cost of repairs resulting from such excess cavitation.

DELIVERY OF WATER FOR GENERATION OF ELECTRICAL ENERGY

15. (a) Subject to:

(i) The statutory requirement that Boulder Dam and the reservoir created thereby shall be used: First, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of perfected rights mentioned in Section 6 of the Project Act; and third, for power; and

(ii) The further statutory requirement that this contract is made upon the express condition and with the express covenant that the rights of the City, Edison Company, and California Electric as contractors for electrical energy, to the use of the waters of the Colorado River, or its tributaries, shall be subject to and controlled by the Colorado River Compact;

the United States will deliver water in the quantity, in the manner, and at the times necessary for the generation of the energy to which the City, Edison Company and California Electric are entitled under this contract, in accordance with the provisions of Article 20 of the Agency Contract, entitled "Integration of Operations". If said Agency Contract should be terminated as to the City or as to Edison Company prior to the termination of this contract, the United States will itself generate and deliver energy, subject to (i) and (ii) above, in the manner required by this contract, in the quantity to which the City, Edison Company, or California Electric is entitled hereunder and in accordance with the City's and/or Edison Company's and/or California Electric's load requirements.

(b) The United States reserves the right temporarily to discontinue or reduce the delivery of water for the generation of electrical energy at any time for the purpose of maintenance, repairs and/or replacements, or installation of equipment, at the Project, and for investigations and inspections necessary thereto; provided, however, that the United States shall, except in case of emergency, give to the City, to Edison Company, and to California Electric reasonable notice in advance of such temporary discontinuance or reduction, and that the United States shall make such inspections and perform such maintenance and repair work, after consultation with the City, Edison Company, and/or California Electric at such times and in such manner, consistent with any program of integrated operations established under the provisions of Article 20 of said Agency Contract, as to cause the least inconvenience to the City, Edison Company, and/or California Electric and that the United States shall prosecute such work with diligence, and, without unnecessary delay, resume delivery of water so discontinued or reduced.

(c) Should the delivery of water, for any reason or cause, other than any act or omission of Edison Company, be discontinued or reduced below the amount required for the generation of firm energy in accordance with the provisions of this contract, the total number of hours of such discontinuance or reduction shall be determined by taking the sum of the number of hours during which the delivery of water is totally discontinued, plus the product of the

number of hours during which the delivery of water is partially reduced and the percentage of said partial reduction below the actual quantity of water required for generation of firm energy. Total or partial reductions in the delivery of water which do not reduce the power output below the amount required at the time for generation of firm energy under any program of integrated operations established under Article 20 of said Agency Contract, or, if said Agency Contract be terminated as to either the City or Edison Company, below the amount required at the time for Edison Company's load requirements, will not be considered in determining the total hours of discontinuance. The minimum payment specified in Article 19 hereof shall be reduced by the ratio that the total number of hours of such discontinuance bears to five thousand eight hundred thirty-two (5832).

(d) In no event shall any liability accrue against the United States, its officers, agents and/or employees for any damage, direct or indirect, arising on account of drought, hostile diversion, Act of God or the public enemy, or other similar cause; nevertheless interruptions in delivery of water occasioned by such causes shall be governed as provided in this Article 15.

ENERGY RATES AND CHARGES

16. The rates and charges to be paid hereunder by the City, by Edison Company and by California Electric, for credit to Defense Plant, for Block A energy shall be the rates and charges for firm energy, and the rates and charges to be paid for Block B energy shall be the rates and charges for secondary energy, determined in both instances in accordance with the General Rgulations.

BILLING AND PAYMENTS

City:

17. (a) During any month when any portion of Block A energy agreed to be taken and paid for by the City under the terms of this contract as stated in Article 11 (b) hereof is taken by it, as determined by the Director of Power, such energy shall be billed to and paid for by it, including the costs of generation thereof, in the same manner and at the same time as firm energy, and the costs of generation thereof for such month are required to be billed to and paid for under the provisions of Article 13 of contract between the United States and the City dated May 29, 1941 (I1r–1334).

(b) During any month when any portion of Block B energy agreed to be taken and paid for by the City under the terms of this contract as stated in Article 11 (c) hereof is taken by it, as determined by the Director of Power, such energy shall be billed to and paid for by it, including the costs of generation thereof, in the same manner and at the same time as secondary energy and the costs of generation thereof for such month are required to be billed to and

paid for under the provisions of Article 13 of contract between the United States and the City dated May 29, 1941 (I1r–1334).

Edison Company:

(c) One-eighth (1/8) of the total amount of Block A energy agreed to be taken and/or paid for by Edison Company during the remainder of the year ending May 31, 1945, under the terms of this contract as stated in Article 11 (d) hereof, shall be added to the minimum quantity of firm energy which Edison Company is required to take and/or pay for each month beginning with the month of October, 1944, under the terms of its contract with the United States dated May 29, 1941 (Symbol and No. I1r–1335), as said quantity of firm energy has been increased by the terms of contract dated the first day of May, 1944 (Symbol and No. I1r-1389). The total quantity of energy for each month, as thus determined, shall be billed to Edison Company and paid for by it, including the costs of generation thereof, in the same manner and at the same time as firm energy, and the costs of generation thereof, are required to be billed to and paid for under the provisions of Article 12 of contract between the United States and Edison Company dated May 29, 1941 (Symbol and No. I1r-1335).

(d) During any month when any portion of Block B energy agreed to be taken and paid for by Edison Company under the terms of this contract, as stated in Article 11 (e) hereof is taken by it, as determined by the Director of Power, such energy shall be billed to Edison Company and paid for by it, including the costs of generation thereof, in the same manner and at the same time as secondary energy, and the costs of generation thereof for such month, are required to be billed to and paid for under the provisions of Article 12 of contract between the United States and Edison Company dated May 29, 1941 (Symbol and No. I1r-1335).

(e) No interest charge shall attach against Edison Company for nonpayment of bills for energy sold under this contract during the period pending notification in writing from the Director of Power, United States Bureau of Reclamation, Boulder City, Nevada, that this contract has been executed, but after such notification all charges for energy taken during such period shall become subject to such interest charge if payment thereof is not made within twenty (20) days after receipt of such notification.

California Electric:

(f) During any month when any portion of Block A energy agreed to be taken and paid for by California Electric under the terms of this contract, as stated in Article 11 (f) hereof is taken by it, as determined by the Director of Power, such energy shall be billed to and paid for by it, including the costs of generation thereof, in the same manner and at the same time as firm energy, and the costs of generation thereof for such month, are required to be billed to and

paid for under the provisions of Article 13 of contract between the United States and California Electric dated May 29, 1941 (I1r-1341).

(g) During any month when any portion of Block B energy agreed to be taken and paid for by California Electric under the terms of this contract, as stated in Article 11 (g) hereof is taken by it, as determined by the Director of Power, such energy shall be billed to and paid for by it, including the costs of generation thereof, in the same manner and at the same time as secondary energy, and the costs of generation thereof for such month, are required to be billed to and paid for under the provisions of Article 13 of contract between the United States and California Electric dated May 29, 1941 (I1r–1341).

THE CITY, EDISON COMPANY AND CALIFORNIA ELECTRIC TO MAKE MAXIMUM PRACTICABLE USE OF AVAILABLE ENERGY

18. The City, Edison Company and California Electric each agrees that it will, in good faith and to the best of its ability to use or dispose of energy available under this contract, take and pay for, in accordance with the terms hereof, energy made available to it hereunder, but neither the City, Edison Company nor California Electric (except with respect to the obligation of Edison Company to take 96,000,000 kilowatt-hours of Block A energy) shall be obligated to take under this contract any energy which it may not be able to use or dispose of in excess of energy available to it from other sources or under other contracts, and the determination of each as to the quantity of energy which it can so take and use or dispose of shall be conclusive.

MINIMUM PAYMENT BY EDISON COMPANY

19. The minimum quantity of energy which Edison Company shall take and/or pay for during the contract year ending May 31, 1945, under the terms of this contract shall be 96,000,000 kilowatt-hours of Block A energy as set forth in Article 11 (d) hereof. Such minimum payment shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article 15 hereof.

REMEDIES UNDER CONTRACT NOT EXCLUSIVE

20. Nothing contained in this contract shall be construed as in any manner abridging, limiting or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any provision hereof, or of any other subsequent breach of any provision hereof.

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TRANSFER OF INTEREST IN CONTRACT

21. No voluntary transfer of this contract, or of the rights of any of the parties hereunder, shall be made without the written approval of the Secretary, except that Defense Plant may transfer this contract or its rights hereunder to the United States or any Department or Independent Establishment thereof without such approval, and any successor or assign of the rights of any of the parties hereto, whether by voluntary transfer, judicial sale, trustee's sale, or otherwise, shall be subject to all the conditions of the Project Act, as modified by the Adjustment Act, and of the Adjustment Act, and also subject to all the provisions and conditions of this contract to the same extent as though such successor or assign were the original contractor hereunder; provided, that the execution of a mortgage or trust deed, or judicial or trustee's sale made thereunder, shall not be deemed a voluntary transfer within the meaning of this article.

DISPUTES AND DISAGREEMENTS

22. Disputes or disagreements between the United States and any party to this contract as to the interpretation or performance of the provisions hereof shall be determined either by arbitration or court proceedings. If in any such arbitration or court proceedings or otherwise any sum or amount paid by the City, by Edison Company, or by California Electric on the demand or bill of the United States under this contract shall be held not to have been due or owing, payment shall not be deemed to have been voluntary, and such sum or amount shall be refunded. Whenever a controversy between the United States and any other party hereto arises out of this contract, and the disputants agree to submit the matter to arbitration, the Secretary shall name one arbitrator and the other party to such dispute or disagreement shall name one arbitrator and the two arbitrators thus chosen shall select a third arbitrator, but in the event of their failure to name such third arbitrator within five (5) days after their first meeting, such third arbitrator shall be named by the Chief Justice of the Supreme Court of the United States. The decision of any two of such arbitrators shall be a valid award of the arbitrators, and shall be final and binding as to the disputants.

NOTICES

23. (a) Any notice, demand or request required or authorized by this contract to be given or made to or upon the United States shall be delivered, or mailed postage prepaid, to the Director of Power, United States Bureau of Reclamation, Boulder City, Nevada, except where, by the terms hereof, the same is to be given or made to or upon the Secretary, in which event it shall be delivered, or mailed postage prepaid, to the Secretary, at Washington, D. C.

(b) Any notice, demand or request required or authorized by this contract to be given or made to or upon Defense Plant shall be delivered, or mailed postage prepaid, to the local representative of Defense Plant Corporation, Las Vegas, Nevada.

(c) Any notice, demand or request required or authorized by this contract to be given or made to or upon the City shall be delivered, or mailed postage prepaid, to the General Manager and Chief Engineer, Department of Water and Power, Los Angeles, California.

(d) Any notice, demand or request required or authorized by this contract to be given or made to or upon Edison Company shall be delivered, or mailed postage prepaid, to the Chief Engineer, Southern California Edison Company Ltd., Los Angeles, California.

(e) Any notice, demand or request required or authorized by this contract to be given or made to or upon the District shall be delivered, or mailed postage prepaid, to the General Manager and Chief Engineer, The Metropolitan Water District of Southern California, Los Angeles, California.

(f) Any notice, demand or request required or authorized by this contract to be given or made to or upon California Electric shall be delivered, or mailed postage prepaid, to the General Manager, California Electric Power Company, Riverside, California.

(g) The designation of any person specified in this article or in any demand or request, or the address of any such person, may be changed at any time by notice given in the same manner as provided in this article for other notices.

CONTRACT CONTINGENT UPON APPROPRIATIONS

24. This contract is subject to appropriations being made by Congress from time to time of money sufficient to make all payments and to provide for the doing and performance of all things on the part of the United States to be done and performed under the terms hereof, and to there being sufficint money vailable in the Colorado River Dam fund for such purposes. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient money not being so appropriated or on account of there not being sufficient money in the Colorado River Dam fund for such purposes.

PRIORITY OF CLAIMS OF THE UNITED STATES

25. Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured.

TITLE TO REMAIN IN THE UNITED STATES

26. As provided in Section Six (6) of the Project Act, the title to Boulder Dam, Lake Mead, Boulder Power Plant, and incidental works, shall forever remain in the United States.

OFFICIALS NOT TO BENEFIT

27. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By HAROLD L. ICKES,
Secretary of the Interior.

DEFENSE PLANT CORPORATION,
By FRANK T. RONAN, *Vice President.*

Attest:
THOMAS KELLY, *Assistant Secretary.*

[SEAL]

THE CITY OF LOS ANGELES, Acting by and through its Board of Water and Power Commissioners,
By R. A. HEFFNER, *President.*

Attest:
JOSEPH L. WILLIAMS, *Secretary.*
Authorized by Res. 676,
Apr. 26, 1945.

[SEAL]

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, By the Board of Water and Power Commissioners,
By R. A. HEFFNER, *President.*

Attest:
JOSEPH L. WILLIAMS, *Secretary.*

[SEAL]

Approved as to form and legality
this 24th day of April, 1945.
RAY L. CHESEBRO, *City Attorney.*
JOHN H. MATHEWS,
Deputy City Attorney.

SOUTHERN CALIFORNIA EDISON COMPANY LTD.,
By W. C. MULLENDORE, *President.*

Attest:
O. V. SHOWERS, *Secretary.*

[SEAL]

THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA,
By JULIAN HINDS,
General Manager and Chief Engineer.

Attest:
A. L. GRAM, *Executive Secretary.*

[SEAL]

Approved as to form:
JAMES H. HOWARD, *General Counsel.*

CALIFORNIA ELECTRIC POWER COMPANY,
By A. B. WEST, *President.*

Attest:
H. DEWES, *Assistant Secretary.*

[SEAL]

RESOLUTION NO. 676

WHEREAS this Board did, by Resolution No. 236 adopted on October 24, 1944, authorize the purchase by the Department, at the firm energy rate, of so much of that portion of 240,000,000 kilowatt-hours of Boulder energy allocated to, but unused by, the Metropolitan Water District of Southern California to which the Department has the preference right of purchase, as the Department can take or dispose of; and

WHEREAS this Board did, by said resolution, authorize the purchase, at the secondary energy rate, of so much of that portion of 500,000,000 kilowatt-hours of Boulder energy allocated to, but unused by, the Metropolitan Water District of Southern California to which the Department has the preference right of purchase, as the Department can take or dispose of; and

WHEREAS a contract has been submitted providing for the purchase by this Department of unused Metropolitan Water District Boulder energy as above set forth:

NOW, THEREFORE, BE IT RESOLVED:

1. That the President, or Vice-President, and the Secretary be authorized to execute the contract dated October 1, 1944, between severally the United States of America, Defense Plant Corporation, The City of Los Angeles and its Department of Water and Power, Southern California Edison Company Ltd., the Metropolitan Water District of Southern California and California Electric Power Company providing, amongst other things, for the purchase by this Department of so much of 132,000,000 kilowatt-hours of Boulder energy (described in said contract as Block A energy) as it can take or dispose of, the same to be at the firm energy rate, and also so much of 258,500,000 kilowatt-hours of Boulder energy (described in said contract as Block B energy) as it can take or dispose of, the same to be at the secondary energy rate;

2. That the execution of this contract by the City shall be with the understanding that the City shall be billed for and shall be required to pay for Block A energy only after it has taken the energy specified in paragraphs (i), (ii) and

(iii) of subdivision (b) of Article 11 of the contract, and for Block B energy only after it has taken its share of Block A energy; provided that, pending adjustment as hereinafter specified, the energy described in paragraph (i) may be billed and paid for by the City in the same manner and at the same time as firm energy and costs of generation thereof, under the provisions of Article 13 of the contract between the United States and the City, dated May 29, 1941 (Ilr-1334), and provided further that adjustment may be made in the billing for the month of May, 1945, if necessary to accomplish all the foregoing:

3. That a certified copy of this resolution be attached to the afore-mentioned contract after execution by this Department as aforesaid, and before delivery of such executed contract for distribution to the other parties thereto.

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of a resolution adopted by the Board of Water and Power Commissioners of The City of Los Angeles at its meeting held Apr. 26, 1945.

JOSEPH L. WILLIAMS, *Secretary.*

[SEAL]

RESOLUTION OF THE BOARD OF DIRECTORS OF SOUTHERN CALIFORNIA EDISON COMPANY LTD.

Adopted April 20, 1945.

RE: CONTRACT OF OCTOBER 1, 1944, FOR THE RESALE OF ELECTRICAL ENERGY TO BE DEVELOPED AT BOULDER DAM POWER PLANT.

BE IT RESOLVED, by the Board of Directors of this corporation, that the President, or any one of the Vice-Presidents, and the Secretary, or any one of the Assistant Secretaries, of this corporation, be and they are herby authorized to execute, for and on behalf of this corporation, that certain contract bearing date of October 1, 1944, between The United States of America, Defense Plant Corporation, The City of Los Angeles and its Department of Water and Power, Southern California Edison Company Ltd., The Metropolitan Water District of Southern California, and California Electric Power Company, providing, among other things, that of the amount of firm energy which Defense Plant is required to take and/or pay for during the year ending May 31, 1945, under the provision of that certain contract between The United States of America and Defense Plant Corporation dated May 9, 1942 (Symbol and No. Ilr-1389), that Edison Company will take and/or pay for, at the rate for firm energy, 96,000,000 kwh. of said energy classified as Block A energy, now being available for purchase, and that Edison Company will take and/or pay for, at the rate for secondary energy, so much of its portion of said energy classified as Block B energy, as it finds practicable to take, said energy now being available for purchase; the City of Los Angeles and California Electric by said contract agreeing to take at said rates such portions of said Block A and Block B energy as each of them finds practicable to take.

I, O. V. SHOWERS, Secretary of SOUTHERN CALIFORNIA EDISON COMPANY LTD., do hereby certify that the foregoing is a full, true and correct copy of a resolution of the Board of Directors of said corporation, unanimously adopted at a meeting of said Board of Directors duly called and held on the 20th day of April, 1945.

WITNESS my hand and the seal of said corporation this 4th day of May, 1945.

O. V. SHOWERS, *Secretary.*

[SEAL] *Southern California Edison Company Ltd.*

RESOLUTION NO. 3544

WHEREAS, under date of May 9, 1942, Defense Plant Corporation entered into a contract with the United States, acting by and through the Secretary of the Interior, for the purchase of certain electrical energy generated at Boulder Dam allotted to, but unused by, The Metropolitan Water District of Southern California; and

WHEREAS, by reason of the reduction in the operations for which Defense Plant Corporation contracted to purchase such electrical energy, a substantial amount of such energy will be unused by Defense Plant Corporation; and

WHEREAS, a contract has been negotiated between the United States of America, Defense Plant Corporation, The Metropolitan Water District of Southern California, The City of Los Angeles and its Department of Water and Power, Southern California Edison Company Ltd., and California Electric Power Company for the resale of such electrical energy so contracted to be purchased by Defense Plant Corporation but unusable by it, which proposed contract has been approved as to form by the Secretary of the Interior; and

WHEREAS, the General Manager and Chief Engineer this day has submitted copy of such proposed contract, as so approved by the Secretary of the Interior:

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Metropolitan Water District of Southern California that the form of the contract referred to in the recitals hereof be approved, and that the General Manager and Chief Engineer of the District be, and he hereby is, authorized and directed to execute on behalf of the District a contract substantially in the form hereby approved, and that the Executive Secretary of the District be, and he hereby is, authorized and directed to attest the signature of the General Manager and Chief Engineer and to affix to such contract the corporate seal of the District; provided that such contract before execution shall be approved as to form by the General Counsel.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California, at its meeting held May 11, 1945.

A. L. GRAM,
Executive Secretary of The Metropolitan Water District of Southern California.

[SEAL]

RESOLUTION

RESOLVED that the President, Executive Vice President, or a Vice President, be and hereby is authorized and directed to execute for and on behalf of this Corporation, a certain contract designated as "Contract for the Resale of Electrical Energy to be Developed at Boulder Dam Power Plant" bearing date of October 1, 1944, between The United States of America and, severally, Defense Plant Corporation, The City of Los Angeles and its Department of Water and Power, Southern California Edison Company Ltd., The Metropolitan Water District of Southern California, and California Electric Power Company, providing, among other things, for (a) the release by Defense Plant Corporation and the disposition and resale by the United States of 710,000,000 kwh of energy for which Defense Plant Corporation is obligated to take and/or pay for during the year ending May 31, 1945, pursuant to that certain contract dated May 9, 1942; said energy being divided into two blocks, namely "Block A" in the amount of 240,000,000 kwh to be sold at firm energy rates and "Block B" in the amount of 470,000,000 kwh to be sold at secondary rates, upon the terms and conditions set forth in such contract, and (b) the use of N-7 generator and related equipment by Southern California Edison Company Ltd. for the period ending May 31, 1945, at the rate of $22.50 per hour for each hour of actual use of said equipment, and that the Secretary or an Assistant Secretary of this Corporation be and hereby is authorized and directed to affix the seal of this Corporation and to attest the same.

The foregoing resolution was duly adopted by the Board of Directors of Defense Plant Corporation on the 25th day of May, 1945.

THOMAS KELLY,
Assistant Secretary Defense Plant Corporation.

[SEAL]

CALIFORNIA ELECTRIC POWER COMPANY RESOLUTION

WHEREAS, the President and Assistant Secretary of California Electric Power Company have, heretofore, in the name, and on behalf of said Company, executed and delivered in eight counterparts, that certain "Contract for the Resale of Electrical Energy to be developed at Boulder Dam Power Plant," Symbol Ilr-1389, dated October 1, 1944, between the United States and Defense Plant Corporation, the City of Los Angeles and its Department of Water and Power, Southern California Edison Company, Ltd., Metropolitan Water District of Southern California and California Electric Power Company, providing, among other things, for the resale of electrical energy which Defense Plant Corporation is obligated to take, during the period ending May 31, 1945, under that certain contract between the United States and Defense Plant Corporation, Symbol Ilr-1389, dated May 9, 1942, said energy so to be resold being classified into Block A and Block B energy.

THEREFORE, RESOLVED, that the acts of said officers in executing and delivering said contract dated October 1, 1944, be and the same are hereby ratified, confirmed and approved as the act of this Company, it being understood that said Company is not and will not be obligated to take or pay for any energy under said contract except such as in its judgment it finds practicable to take.

I, J. R. GILBERT, Secretary of California Electric Power Company, do hereby certify that the foregoing is a full and true copy of a resolution adopted by the Board of Directors of said Company at its meeting held on the 25th day of May, 1945.

WITNESS my hand and the seal of said Company this 31st day of May, 1945.

J. R. GILBERT, *Secretary.*

[SEAL]

[ITEM 92]

BOULDER CANYON PROJECT

CONTRACT AMENDING CONTRACT OF MAY 29, 1941

THE UNITED STATES

AND

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

NOVEMBER 1, 1944

(Symbol 11r–1336)

1. THIS CONTRACT, made this 1st day of November, 1944, pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), and acts amendatory thereof or suplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat. 1057), designated the Boulder Canyon Project Act (hereinafter referred to as the "Project Act"), and to the Act of Congress approved July 19, 1940 (54 Stat. 774), designated the Boulder Canyon Project Adjustment Act (hereinafter referred to as the "Adjustment Act"), between THE UNITED STATES OF AMERICA (hereinafter referred to as the "United States"), acting for this purpose by Harold L. Ickes, Secretary of

the Interior (hereinafter referred to as the "Secretary"), and THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, a public corporation organized and existing under the laws of the State of California (hereinafter referred to as the "District");

WITNESSETH THAT:

EXPLANATORY RECITALS

2. WHEREAS, the parties hereto, on the 29th day of May, 1941, pursuant to the Project Act and the Adjustment Act, entered into a contract (Symbol I1r-1336) for the sale and purchase of electrical energy; and

3. WHEREAS, at the request of the District there were included in said contract, provisions designated as subdivisions (c), (d) and (e) of Article 14, wherein, nothwithstanding the provisions of subdivisions (a) and (b) of Article 14, the minimum quantity of firm energy which the District was obligated to take and/or pay for, whether used or not, in each year of operation, was fixed in accordance with a schedule therein set out, the District having the privilege, upon certain conditions, of deferring, with interest, a part of its otherwise firm obligation; and

4. WHEREAS, it is the desire of the parties hereto, to eliminate from the said contract the subdivisions of Article 14 hereinabove referred to;

NOW, THEREFORE, it is agreed as follows, to wit:

AMENDMENT OF CONTRACT DATED MAY 29, 1941

5. That certain contract between the parties hereto, date May 29, 1941 (Symbol I1r–1336) is hereby amended, eliminating therefrom subdivisions (c), (d) and (e) of Article 14.

CONTRACT OF MAY 29, 1941 TO REMAIN IN EFFECT EXCEPT AS AMENDED

6. Except as expressly amended hereby, the aforesaid contract dated May 29, 1941 (Symbol I1r–1336), shall remain in full force and effect.

OFFICIALS NOT TO BENEFIT

7. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

THE UNITED STATES OF AMERICA,
By HAROLD L. ICKES,
Secretary of the Interior.

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA,
By JULIAN HINDS,
General Manager
and Chief Engineer.

Attest:
(Signed) A. L. GRAM, *Executive Secretary.*

Approved as to form:
(Signed) JAMES H. HOWARD,
General Counsel.

[ITEM 93]

BOULDER CANYON PROJECT

CONTRACT FOR THE RESALE OF ELECTRICAL ENERGY TO BE DEVELOPED AT BOULDER DAM POWER PLANT

THE UNITED STATES

AND SEVERALLY

RECONSTRUCTION FINANCE CORPORATION

THE CITY OF LOS ANGELES

SOUTHERN CALIFORNIA EDISON COMPANY LTD.

CALIFORNIA ELECTRIC POWER COMPANY

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MAY 31, 1945

833942—50—68

(I1r–1458)

1. THIS CONTRACT, made this 31st day of May, 1945, between THE UNITED STATES OF AMERICA (hereinafter referred to as the "United States"), acting for this purpose by Harold L. Ickes, Secretary of the Interior (hereinafter referred to as the "Secretary"); and, severally RECONSTRUCTION FINANCE CORPORATION (hereinafter referred to as "RFC"), a corporation created by the Reconstruction Finance Corporation Act, as amended; THE CITY OF LOS ANGELES, a municipal corporation of the State of California, and its DEPARTMENT OF WATER AND POWER (said Department acting herein in the name of the City, but as principal in its own behalf, as well as in behalf of the City, the term "City" as herein used being deemed to include both The City of Los Angeles and its Department of Water and Power); SOUTHERN CALIFORNIA EDISON COMPANY LTD., a private corporation organized and existing under the laws of the State of California (hereinafter referred to as "Edison Company"); CALIFORNIA ELECTRIC POWER COMPANY (formerly The Nevada-California Electric Corporation, and successor to The Southern Sierras Power Company), a private corporation organized and existing under the laws of the State of Delaware (hereinafter referred to as "California Electric"); and THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, a public corporation organized and existing under the laws of the State of California (hereinafter referred to as the "District");

WITNESSETH THAT:

EXPLANATORY RECITALS

2. WHEREAS, pursuant to the provisions of the Act of Congress, approved December 21, 1928 (45 Stat. 1057), designated the "Boulder Canyon Project Act" (hereinafter referred to as the "Project Act"), the United States heretofore entered into a contract with the District, dated April 26, 1930 (Symbol and No. I1r–647), for the purchase by, and delivery to, the District, under the terms and conditions therein stated, of certain electrical energy to be delivered at Boulder Power Plant, which said contract was amended by supplemental contracts, dated May 31, 1930, and July 13, 1938; and

3. WHEREAS, pursuant to the Act of Congress approved July 19, 1940 (54 Stat. 774), designated the "Boulder Canyon Project Adjustment Act" (hereinafter referred to as the "Adjustment Act"), the United States entered into a contract with the District, dated May 29, 1941 (Symbol and No. I1r–1336), (which contract superseded the contracts referred to in Article 2 above, and is herein referred to as "District's Energy Contract"), providing for the delivery of certain electrical energy to the District, and the United States also entered into contracts, severally, with City, Edison Company, and California Electric, dated May 29, 1941 (Symbols and Nos. I1r–1334, I1r–1335 and I1r–1341),

providing for delivery to them, respectively, of electrical energy at Boulder Power Plant; all of said contracts being under the terms and provisions of the Project Act and Adjustment Act; and

4. WHEREAS, pursuant to said Adjustment Act, the Secretary promulgated General Regulations (hereinafter referred to as the "Regulations") for the generation and sale of power at the Boulder Power Plant; and

5. WHEREAS, under date of November 21, 1941, the United States entered into a contract with California-Pacific Utilities Company for the resale of Boulder firm energy contracted for by the District, but unused by it (Symbol and No. I1r–1366), not exceeding 20,000,000 kwh. annually, and under date of December 2, 1941, the United States entered into a contract with Citizens Utilities Company for the resale of Boulder firm energy contracted for by District, but unused by it (Symbol and No. I1r–1368), not exceeding 50,000,000 kwh. annually; said energy under both of said contracts to be generated on Section G–3 (Units A–1 and A–2), provided the Secretary may transfer said generation to Section G-2 (Units N-5 and N-6); said energy to be delivered at points near Boulder Dam; and

6. WHEREAS, City, Edison Company, and California Electric desire to purchase all Boulder firm energy contracted for by District but unused by it, for pumping Colorado River water into and in its aqueduct and unused by the resale consumers under contract referred to in Article 5 hereof; and

7. WHEREAS, in order that said unused District firm energy may be available at times and in amounts required for the effective utilization thereof, City and Edison Company will, for periods of time during which this contract is in effect, require for the generation thereof the use of generating capacity in Sections G-2 (Units N-5 and N-6) and G-7 (Unit N-7), and Transformer Sections T-2 and T-7; and

8. WHEREAS, that certain contract (hereinafter referred to as "Defense Plant Contracts"), dated the 9th day of May, 1942 (Symbol and No. I1r–1387), was entered into between Defense Plant Corporation, a corporation created by RFC pursuant to Section 5 (d) of the Reconstruction Finance Corporation Act, as amended (which said corporation, pursuant to Public Law No. 109 approved on June 30, 1945, was dissolved effective July 1, 1945, and all of its functions, powers, duties and authority, together with its documents, books of account, records, assets, and liabilities of any kind and nature, were transferred to RFC to be performed, exercised, and administered by RFC in the same manner and to the same extent and effect as if originally vested in RFC) and, severally, the United States, City, Edison Company, California Electric, District, and Nevada, wherein a power supply, consisting chiefly of District unused energy, was made available for Defense Plant Corporation, for use at its Magnesium Plant (hereinafter referred to as "Basic Magnesium Project") near Las Vegas, Nevada, and such contract terminates as to such power supply as of midnight, May 31, 1945; and

9. WHEREAS, RFC desires to make arrangements herein for a power supply for Basic Magnesium Project, for the year commencing at midnight, May 31, 1945, and for the pumping of water from Lake Mead incidental thereto; and

10. WHEREAS, pursuant to said Defense Plant Contract, generator Unit N-7 (hereinafter referred to as "Section G-7") and transformer Unit T-7 (hereinafter referred to as "Section T-7") were installed at Boulder Power Plant and segregated for the sole use of Defense Plant Corporation until such time as the generating costs of said sections are, pursuant to said contract, assumed by District; and

11. WHEREAS, Defense Plant Contract provides that, during the period that said Sections G–7 and T–7 are segregated for the use of Defense Plant Corporation, the Secretary may arrange for the use of the same for other parties;

12. NOW, THEREFORE, in consideration of the covenants herein contained, the parties hereto agree as follows, to wit:

DEFINITIONS

13. All words used herein shall have the meanings ascribed to them in the Boulder Canyon Project Adjustment Act, the Regulations, and in the several contracts of May 29, 1941, herein referred to.

RELEASE BY DISTRICT

14. (a) During the term of this contract, District hereby releases and hereby agrees to the disposal, as herein provided, of all firm energy allotted to it under the Regulations and contracted for by District under District's Energy Contract, which shall be unused by District for pumping Colorado River water into and in its aqueduct, and unused by resale consumers under contract referred to in Article 5 hereof. During the term of this contract, District will not exercise its right to take or use any secondary energy or any energy allotted to but unused by the States of Arizona and Nevada.

(b) During the term of this contract District will so operate its aqueduct, pumping and water supply system that maximum practicable amounts of generating capacity in the Boulder Power Plant and energy from Boulder Power Plant will be available to City, Edison Company, and California Electric, consistent with the proper operation of said pumping and water supply system as determined by District.

SALE OF ENERGY

15. (a) Subject to the terms and conditions of District's Energy Contract, the United States will cause the firm energy released by District under Article

14 hereof to be delivered annually during the period of this contract, to the parties hereto as follows: (1) to City 55 per centum thereof; (2) to Edison Company 40 per centum thereof; (3) to California Electric 5 per centum thereof; provided that during the year of operation ending May 31, 1946, the United States will cause to be delivered to RFC at the points where its 230,000-volt transmission lines connect with the 230,000-volt switchyard of District at Boulder Power Plant, at approximately 220,000 volts in the form of three (3) phase alternating current at a frequency of approximately 60 cycles per second, for use exclusively in the operation of Basic Magnesium Project, and for the pumping of water from Lake Mead incidental thereto, not to exceed 500,000,000 kilowatt-hours of said released firm energy at a maximum demand of 65,000 kilowatts. In the event supplies of electric energy are required at Basic Magnesium Project, and for the pumping of water from Lake Mead incidental thereto, subsequent to May 31, 1946, provided necessary agreements shall have been made by City and/or Edison Company for the use of Sections G–7 and T–7, RFC shall have the option to obtain further supplies of energy in the manner, in the quantity and at the maximum demand aforesaid for additional periods of one year each at rates and charges to be agreed upon in writing between RFC and City, Edison Company, and California Electric. Said option shall be exercised in each instance by written notice thereof to the Secretary, served not later than May 31st of any year, together with an original counterpart of the written agreement between RFC and City, Edison Company, and California Electric as to rates and charges to be paid by RFC during the next succeeding year.

(b) Nothing in this article or any extension of the rights of RFC hereunder shall entitle RFC to supplies of electric energy hereunder beyond a period ending six (6) months after the cessation of hostilities in the existing war against Japan, as announced by proclamation of the President or by Concurrent Resolution of the Congress.

(c) Said firm energy released by District under Article 14 hereof, including energy made available to RFC, shall be taken and/or paid for as follows: 55 per centum thereof by City; 40 per centum thereof by Edison Company; 5 per centum thereof by California Electric. Such payments shall be made to the United States for the credit of District and at rates and in the manner provided in Articles 21, 22, and 23 hereof.

(d) RFC shall pay the United States for such released firm energy as shall be delivered to it hereunder, such payment to be for the credit of City, Edison Company, and California Electric, in the proportions hereinabove referred to and at the rates and in the manner provided in Article 21 (b) hereof.

DELIVERY OF ENERGY

16. (a) The energy released, sold, and delivered to City, Edison Company, and California Electric, pursuant to this contract, will be delivered to each of

the said parties at Boulder Power Plant, at a frequency of approximately 60 cycles; provided that (1) deliveries to Edison Company at Boulder Power Plant may be at a frequency of approximately 50 cycles; (2) deliveries to Edison Company may be at the points of connection of hydroelectric plants of the United States on the Colorado River below Boulder Dam, with the District's transmission line at a frequency of approximately 60 cycles, in the same manner and under the same conditions as are provided for deliveries to District in District's Energy Contract, all of said deliveries to be at transmission voltage; and (3) deliveries to City, Edison Company, or California Electric may be at such points of connection with hydroelectric plants of the United States on the Colorado River below Boulder Dam as may be established by mutual agreement between the United States and City, Edison Company, or California Electric.

(b) The phrase "which for the time being may be in excess of District's requirements" as used in Article 9 (a) of District's Energy Contract shall be interpreted to include the requirements in connection with transmission of energy allotted to but unused by District and resold for its credit.

(c) The energy released and sold hereunder, subject to the provisions of subdivision (d) of this Article, shall be delivered under the same conditions as are provided in the respective contracts of City and Edison Company for the delivery of their respective allotments of firm energy from Boulder Power Plant.

(d) Energy released and sold hereunder shall be subject to the interchange privilege permitted to the United States under Article 9 (a) of the District's Energy Contract and Article 20 (a) of the Agency Contract (Exhibit 1 of District's Energy Contract); provided, that the substitution of energy from sources other than Boulder Power Plant, and the replacement thereof, shall be accomplished without interfering with the service to, or increasing the charges against, City, Edison Company, or California Electric, and without impairing or extending the rights or obligations respectively of the other allottees.

USE OF SECTIONS G-7 AND T-7

17. (a) Pursuant to the provisions of Defense Plant Contract, and particularly Article 305 thereof, the Secretary agrees that Edison Company shall, commencing at midnight, May 31, 1945, and upon the terms and conditions in paragraph (b) of this Article provided, have the exclusive right to the use, as a Boulder Power Contractor, of Sections G–7 and T–7, for a period ending at midnight, May 31, 1946.

(b) Edison Company, in consideration of the exclusive right to the use of said sections and in consideration of the payment by RFC for energy as provided in Article 21 (b) hereof, will, to the extent hereinafter provided, for

the period ending at midnight, May 31, 1946, be responsible for providing generating capacity at Boulder Power Plant, up to 65,000 kilowatts for the generation of energy made available to RFC hereunder.

In no event shall any liability accrue against Edison Company or any of its officers, agents or employees for any damage, direct or indirect, arising on account of a failure of Edison Company to provide said generating capacity if said failure be due to drought, hostile diversion, Act of God, Government, the public enemy or other forces beyond their reasonable control.

(c) For the period ending at midnight, May 31, 1946, Edison Company agrees that each hour it has exclusive use of Section G–7, or without T–7, it will pay to the United States for the credit of RFC $22.50. In the event that said Section G–7 shall be available to it at least 6,000 hours during said period ending May 31, 1946, Edison Company will pay an aggregate of not less than $135,000 for the right to use the same. Section G–7 shall be deemed available for the purpose of this subsection when Sections G–7 and T–7 are in operation or are ready for operation. In the event that said Section G–7, with the consent of Edison Company, shall be used for service of another power contractor such contractor, except as may be by agreement elsewhere provided, shall be charged at the rate of $22.50 per hour, and any amount received by the Secretary for such use shall be credtied as received to the RFC and shall be applied to reduce the minimum obligation of Edison Company as to Sections G–7 and T–7 specified in this subdivision (c).

(d) In the event the generation of electric energy on Section G–7 for Edison Company at fifty cycles shall result in cavitation of the runner at a rate in excess of twenty-five cubic inches per month, Edison Company shall pay to the United States the additional cost of repairs resulting from such excess cavitation.

PLACE OF GENERATION

18. (a) Subject to Article 9 (b) of District's Energy Contract any energy which Edison Company and/or RFC has the right to take from Boulder Power Plant, and any energy which California Electric has the right to take hereunder from Boulder Power Plant, may be generated in Section G–2; provided that the execution of this contract by City is with the understanding and agreement between City and California Electric that the generation of energy for California Electric in Section G–2 and/or the transmission of the same, which results in parallel operation, or otherwise, shall neither prejudice or limit the rights of the City or California Electric under that certain Power Transmission Agreement between the Los Angeles Gas and Electric Corporation, Southern Sierras Power Company, and Nevada California Power Company dated May 18, 1932, nor modify or affect the relative rights of City and/or California Electric with regard to Sections G–5, T–5 and C. F. at Boulder Power

Plant and/or the transmission lines referred to in said transmission agreement as "Boulder Canyon Line" and "Seal Beach Line." Any energy which City has the right to take from Boulder Power Plant may likewise, with the consent of District and Edison Company, be generated on Section G–2.

(b) City shall act as operating agent as to energy generated for Edison Company and California Electric on Sections G–2 and G–7.

(c) Any energy, including energy purchased hereunder, may be generated for City, Edison Company, California Electric, or RFC in sections assigned by contract to said parties respectively, or made available to them respectively under the Regulations, subject to agreements as to the use of such sections not inconsistent with the Regulations and not determined and announced by the Secretary to be detrimental to the interests of the United States as provided in Article 18 (e) of the Regulations.

DELIVERY OF WATER FOR GENERATION OF ELECTRICAL ENERGY

19. (a) Subject to:

(i) The statutory requirement that Boulder Dam and the reservoir created thereby shall be used: First, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of perfected rights mentioned in Section 6 of the Project Act; and third, for power; and

(ii) The further statutory requirement that this contract is made upon the express condition and with the express covenant that the rights of City, Edison Company, California Electric and RFC, as contractors for electrical energy, to the use of the waters of the Colorado River, or its tributaries, shall be subject to and controlled by the Colorado River Compact;

the United States will deliver water in the quantity, in the manner, and at the times necessary for the generation of the energy to which City, Edison Company, California, Electric, and RFC are entitled under this contract, in accordance with the provisions of Article 20 of the Agency Contract, entitled "Integration of Operations." If said Agency Contract should be terminated as to City or as to Edison Company prior to the termination of this contract, the United States will itself generate and deliver energy, subject to (i) and (ii) above, in the manner required by this contract, in the quantity to which either City, Edison Company, California Electric, or RFC is entitled hereunder, and in accordance with their respective load requirements.

(b) The United States reserves the right temporarily to discontinue or reduce the delivery of water for the generation of electrical energy at any time for the purpose of maintenance, repairs and/or replacements, or installation of equipment, at the Project, and for investigations and inspections necessary thereto; provided, however, that the United States shall, except in case of emergency, give to City, to Edison Company, to California Electric, and to RFC reasonable notice in advance of such temporary discontinuance or reduction, and that the United States shall make such inspections and per-

form such maintenance and repair work, after consultation with City, Edison Company, California Electric, and/or RFC, at such times and in such manner, consistent with any program of integrated operations established under the provisions of Article 20 of said Agency Contract, as to cause the least inconvenience to City, Edison Company, California Electric, and/or RFC, and that the United States shall prosecute such work with diligence, and, without unnecessary delay, resume delivery of water so discontinued or reduced.

(c) Should the delivery of water, for any reason or cause, other than any act or omission of City, Edison Company, California Electric, or RFC, be discontinued or reduced below the amount required for the generation of firm energy in accordance with the provisions of this contract, the total number of hours of such discontinuance or reduction in any year shall be determined by taking the sum of the number of hours during which the delivery of water is totally discontinued, plus the product of the number of hours during which the delivery of water is partially reduced and the percentage of said partial reduction below the actual quantity of water required for generation of firm energy. Total or partial reductions in the delivery of water which do not reduce the power output below the amount required at the time for generation of firm energy under any program of integrated operations established under Article 20 of said Agency Contract, or if said Agency Contract be terminated as to either City or Edison Company, below the amount required at the time for the load requirements of City, Edison Company, California Electric, and/or RFC, as the case may be, will not be considered in determining the total hours of discontinuance in any year of operation. The minimum annual payments specified in Article 23 hereof shall be reduced by the ratio that the total number of hours of such discontinuance bears to eight thousand seven hundred sixty (8,760).

(d) In no event shall any liability accrue against the United States, its officers, agents and/or employees, for any damage, direct or indirect, arising on account of drought, hostile diversion, Act of God or the public enemy, or other similar cause; nevertheless, interruptions in delivery of water occasioned by such causes shall be governed as provided in this Article 19.

MEASUREMENT OF ENERGY

20. (a) The amount of electric energy delivered to City, Edison Company, and California Electric, respectively, including energy purchased hereunder, shall be determined in the manner provided for the measurement of energy in their respective contracts for firm energy from Boulder Power Plant referred to in Article 3 hereof.

(b) All electric energy delivered to RFC and the maximum demand of RFC will be measured at approximately thirteen thousand two hundred (13,200) volts at the Basic Magnesium Project, and RFC, at its sole cost and expense, shall furnish and install suitable metering equipment of a type and in manner

satisfactory to the Chief Engineer of the Bureau of Reclamation for this purpose. For the purpose of computing the maximum demand and the amount of energy delivered to the 230,000-volt lines of RFC, at the 230,000-volt switchyard at Boulder Power Plant one and one-quarter per centum (1¼%) shall be added to the meter readings to cover line and transformer losses. The said metering equipment shall be maintained by and at the expense of RFC. Meters shall be tested by the United States at any reasonable time upon the request of either City, Edison Company, the United States or RFC, and in any event they shall be tested at least once each year. If the test discloses that the error of any meter exceeds one per centum (1%), such meter shall be adjusted so that the error does not exceed one-half of one per centum (½%). Meter equipment shall be tested by means of suitable testing equipment which will be provided by the United States and which shall be calibrated by the National Bureau of Standards. Meters shall be kept sealed, and the seals shall be broken only in the presence of representatives of both the United States and RFC, and likewise all tests of meter equipment shall be conducted only when representatives of both the United States and RFC are present. The electric energy delivered hereunder during any period in which the meters furnished to measure such electric energy fail to register shall, for billing purposes, be estimated from the best information available.

(c) Delivery of electric energy to District's transmission line at points other than Boulder Power Plant shall be measured by meters furnished and maintained by the United States. The electric energy so delivered during any period in which the meters so furnished fail to register shall, for billing purposes, be estimated from the best information available. The testing of such meters and calibration of testing equipment shall be in accordance with Article 19 of the Agency Contract, being Exhibit 1 of District's Energy Contract referred to in Article 3 hereof. If said Agency Contract should be terminated, the same provisions shall apply as nearly as may be.

(d) The apportionment of electric energy delivered to District's transmission line, as between Edison Company, California Electric and District, shall be determined by Edison Company and District (Edison Company being hereby designated as the representative of California Electric for that purpose), taking into consideration line, transformer and other losses, and the United States, and City as operating agent, shall be advised of such determination by the fourth day of the following month. Billings by the United States for energy on the basis of such determination shall be accepted and paid by District, Edison Company, and California Electric, respectively. In the event that for any reason Edison Company and District shall fail or refuse to make or report such joint determination to the United States and City, as operating agent, within said time, District shall forthwith report its determination of such apportionment to the United States, City as operating agent, and to Edison Company and California Electric, and billing on the basis of such

determination by District shall be accepted and paid by District, Edison Company, and California Electric, but in no event shall the aggregate amount payable to the United States be reduced. Such acceptance and payment shall be without prejudice to adjustment of any differences that may exist or arise between District, Edison Company and California Electric.

RATES AND CHARGES

21. (a) The rate to be paid to the United States, for credit to Distirct, by City, Edison Company, and California Electric for electric energy purchased under this contract shall be the rate for firm energy determined in accordance with the Regulations, except that for the period commencing at midnight, May 31, 1945, and ending at midnight, May 31, 1950, such annual rate shall be the following per cent of such rate for firm energy:

Year of Operation:	*Per Cent of the Rate for Firm Energy*
1945-46	40
1946-47	50
1947-48	65
1948-49	80
1949-50	95

(b) The energy rate to be paid by RFC for electric energy delivered to it hereunder shall be the energy rate for firm energy determined in accordance with the Regulations, and RFC shall pay to the United States in addition thereto for the credit of City, Edison Company, California Electric and District, in such proportions and amounts as shall be agreed upon and provided by the 1945 Collateral Contract referred to in Article 28 hereof filed with the Secretary, a monthly charge of fifty cents (50¢) per kilowatt of 30-minute maximum demand created by RFC during such month. The minimum aggregate of such monthly demand charges for the period commencing June 1, 1945, and ending May 31, 1946, shall be $135,000, provided, however, that RFC shall have the right to terminate its rights and obligations to take and pay for energy under this contract by giving thirty (30) days written notice to the Secretary and to City and Edison Company. Such notice, however, shall not be given prior to December 1, 1945. In the event of termination upon such notice, the minimum obligation of $135,000 hereinabove set out shall be reduced at the rate of $10,000 per month for the period between the effective date of such termination notice and June 1, 1946. RFC shall pay monthly for electric energy delivered to it in accordance with the foregoing rates and charges. The United States will submit bills to RFC by the tenth of each month immediately following the month during which energy was delivered to it, and payments shall be due on the twenty-fifth day of the same month. If such rates and charges are not paid when due, an interest charge of one per centum (1%)

of the amount unpaid shall be added thereto, and thereafter an additional interest charge of one per centum (1%) of the principal sum unpaid shall be added on the twenty-fifth day of each succeeding calendar month until the amount due, including such interest, is paid in full.

BILLING AND PAYMENTS

22. (a) For the year of operation beginning at midnight, May 31, 1945, and ending at midnight, May 31, 1946, District estimates that the energy heretofore contracted for by District under District's Energy Contract and unused by District for pumping Colorado River water into and in its aqueduct and unused by resale consumers under contracts referred to in Article 5 hereof, will be 1,358,000,000 kilowatt hours. District agrees to advise the Director of Power at Boulder Power Plant, and City, Edison Company, and California Electric respectively, in writing, not later than the 1st day of February of each year, as to the amount of energy heretofore contracted for by District which District estimates will be unused by it for pumping Colorado River water into and in its aqueduct and unused by resale consumers under contracts referred to in Article 5 hereof, during the next succeeding year of operation.

(b) The electric energy agreed to be taken and/or paid for by City, Edison Company, and California Electric under this contract, as estimated for the then current year of operation pursuant to subdivision (a) of this article, shall, for billing purposes, be in addition to the respective minimum quantities of firm energy which said purchasers are respectively required to take and/or pay for during such year of operation under the terms of their respective energy contracts referred to in Article 3 hereof, and shall be billed to them and paid in the same manner as is provided in their respective energy contracts.

(c) (i) The energy billed to City, Edison Company, and California Electric each month, up to one-twelfth (1/12) of their respective minimum obligations under their several contracts of May 29, 1941, referred to in Article 3 hereof, multiplied by the number of months which shall have elapsed since the 31st day of May next preceding shall be deemed to have been taken under said contracts respectively.

(ii) The energy billed to City, Edison Company, and California Electric each month, in addition to that classified under (i) of this subdivision (c), up to one-twelfth (1/12) of the respective minimum obligations of City, Edison Company, and California Electric under this contract (as established for the then current year under the provisions of subdivision (a) of this article) multiplied by the number of months which shall have elapsed since the 31st day of May next preceding, shall be deemed to have been taken under this contract, and the moneys paid on account thereof shall be credited to the District.

(iii) For energy classified under (ii) of this subdivision (c), during the

period beginning at midnight, May 31, 1945, and ending at midnight, May 31, 1948, City, Edison Company, and California Electric shall be billed monthly and shall pay the percentage of the firm energy rate established for the current year by Article 21 hereof.

(iv) No energy will be billed to any party hereto at the rate for secondary energy until and unless such party shall have taken energy and paid the firm energy rate for one-twelfth (1/12) of the aggregate firm energy referred to in (i) and (ii) of this subdivision (c), multiplied by the number of months which shall have elapsed since May 31 last preceding.

(d) At the close of each year of operation the exact amounts of money chargeable to the respective parties hereto shall be determined, and adjustment shall be made by additional payments or by credits to correct for any deviation from the estimates in the actual amounts chargeable to each thereof.

(e) In the event that either City, Edison Company or California Electric in any year of operation shall take less than its annual obligation to take and/or pay for firm energy under this contract and during said year of operation any one or more of said three purchasers shall take and pay for energy at the rate for secondary energy, the purchaser or purchasers taking less than its or their full annual obligation of such firm energy under this contract, shall receive a credit out of, but not exceeding, the proceeds of the sale of energy to any other purchaser or purchasers, at the rate for secondary energy and in an amount not exceeding the product of the number of kilowatt hours of firm energy not taken hereunder times the current rate for secondary energy. If two of said purchasers are entitled to such credit, the credit shall be apportioned in the ratio that the kilowatt hours of firm energy not taken hereunder by each thereof shall bear to the total kilowatt hours of firm energy not taken under this contract by all of the said purchasers entitled to credit under this subdivision (e).

(f) The apportionment of and billing for the generating charges assigned in connection with the generation of energy purchased hereunder shall be in accordance with the Regulations, except in so far as such apportionment may be expressly modified by this contract or any other contract between the parties affected, on file with the Secretary and not determined and announced by him to be detrimental to the interests of the United States, as provided in Section 18 (e) of the Regulations.

(g) No interest charge shall attach against the parties hereto for nonpayment of bills for energy sold under this contract during the period after May 31, 1945, pending notification in writing from the Director of Power, United States Bureau of Reclamation, Boulder City, Nevada, that this contract has been executed, but after such notification all charges for energy taken during such period for which bills have been rendered shall become subject

to such interest charge if payment thereof is not made within twenty (20) days after receipt of such notification.

MINIMUM ANNUAL PAYMENTS

23. The minimum quantities of energy which City, Edison Company, and California Electric shall each take and/or pay for annually under the terms of this contract shall be their respective percentages, as provided in Article 15 hereof, of energy heretofore allotted to and contracted for by the District and released, as provided in Article 14 hereof, as determined from time to time. The minimum annual payment in each instance shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article 19 hereof.

REMEDIES UNDER CONTRACT NOT EXCLUSIVE

24. Nothing contained in this contract shall be construed as in any manner abridging, limiting or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any provision hereof, or of any other subsequent breach of any provision hereof.

TRANSFER OF INTEREST IN CONTRACT

25. No voluntary transfer of this contract, or of the rights of any of the parties hereunder, shall be made without the written approval of the Secretary, except that RFC may transfer this contract or its rights hereunder to the United States or any Department or Independent Establishment thereof without such approval, and any successor or assign of the rights of any of the parties hereto, whether by voluntary transfer, judicial sale, trustee's sale, or otherwise, shall be subject to all the conditions of the Project Act, as modified by the Adjustment Act, and of the Adjustment Act, and also subject to all the provisions and conditions of this contract to the same extent as though such successor or assign were the original contractor hereunder; provided, that the execution of a mortgage or trust deed, or judicial or trustee's sale made thereunder, shall not be deemed a voluntary transfer within the meaning of this article.

DISPUTES AND DISAGREEMENTS

26. Disputes or disagreements between the United States and any party to this contract as to the interpretation or performance of the provisions hereof shall be determined either by arbitration or court proceedings. If in any such

arbitration or court proceedings, or otherwise, any sum or amount paid by City, by Edison Company, or by California Electric on the demand or bill of the United States under this contract shall be held not to have been due or owing, payment shall not be deemed to have been voluntary, and such sum or amount shall be refunded. Whenever a controversy between the United States and any party hereto arises out of this contract, and the disputants agree to submit the matter to arbitration, the Secretary shall name one arbirator and the other party to such dispute or disagreement shall name one arbitrator and the two arbitrators thus chosen shall select a third arbitrator, but in the event of their failure to name such third arbitrator within five (5) days after their first meeting, such third arbitrator shall be named by the Chief Justice of the Supreme Court of the United States. The decision of any two of such arbitrators shall be a valid award of the arbitrators, and shall be final and binding as to the disputants.

NOTICES

27. (a) Any notice, demand or request required or authorized by this contract to be given or made to or upon the United States shall be delivered, or mailed postage prepaid to the Director of Power, United States Bureau of Reclamation, Boulder City, Nevada, except where, by the terms hereof, the same is to be given or made to or upon the Secretary, in which event it shall be delivered, or mailed postage prepaid, to the Secretary, at Washington, D. C.

(b) Any notice, demand or request required or authorized by this contract to be given or made to or upon the City shall be delivered, or mailed postage prepaid, to the General Manager and Chief Engineer, Department of Water and Power, Los Angeles, California.

(c) Any notice, demand or request required or authorized by this contract to be given or made to or upon Edison Company shall be delivered, or mailed postage prepaid, to the President, Southern California Edison Company Ltd., Los Angeles, California.

(d) Any notice, demand or request required or authorized by this contract to be given or made to or upon California Electric shall be delivered, or mailed postage prepaid, to the General Manager, California Electric Power Company, Riverside, California.

(e) Any notice, demand or request required or authorized by this contract to be given or made to or upon District shall be delivered, or mailed postage prepaid, to the General Manager and Chief Engineer of The Metropolitan Water District of Southern California, Los Angeles, California.

(f) Any notice, demand or request required or authorized by this contract to be given or made to or upon RFC shall be delivered, or mailed postage prepaid, to the Execution Director, Office of Defense Plants, Reconstruction

Finance Corporation, 811 Vermont Avenue N. W., Washington, D. C., with copy thereof to the Manager, Basic Magnesium Project, Las Vegas, Nevada.

(g) The designation of any person specified in this article or in any demand or request, or the address of any such person, may be changed at any time by notice given in the same manner as provided in this article for other notices.

TERM

28. The term of this contract shall commence at midnight, May 31, 1945, and shall continue to midnight, May 31, 1987, except that if in any year of operation firm energy at Boulder Power Plant allotted to but unused by District for pumping water into and in its aqueduct and unused by resale consumers under contracts referred to in Article 5 hereof, shall be less than 50,000,000 kilowatt hours, or if as of the close of any year of operation the annual average of such energy for the next preceding five years shall have been less than 150,000,000 kilowatt hours, either District, City, Edison Company, or California Electric, may, upon written notice to the other parties hereto, terminate this contract as to all parties, and in the event of such notice the end of the term hereof shall be the end of the second year of operation after the delivery of such notice, provided, however, that this contract shall be ineffective, and no rights or obligations shall arise hereunder until and unless that certain contract executed of even date herewith between City, Edison Company, California Electric and the District, relating, among other things, to the use of generating equipment and the apportionment of generating charges at Boulder Power Plant (herein referred to as the 1945 Collateral Contract), shall become effective in the manner provided in Article 18 of the Regulations.

CONTRACT CONTINGENT UPON APPROPRIATIONS

29. This contract is subject to appropriations being made by Congress from time to time of money sufficient to make all payments and to provide for the doing and performance of all things on the part of the United States to be done and performed under the terms hereof, and to there being sufficient money available in the Colorado River Dam fund for such purposes. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient money not being so appropriated or on account of there not being sufficient money in the Colorado River Dam fund for such purposes.

PRIORITY OF CLAIMS OF THE UNITED STATES

30. Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured.

TITLE TO REMAIN IN THE UNITED STATES

31. As provided in Section Six (6) of the Project Act, the title to Boulder Dam, Lake Mead, Boulder Power Plant, and incidental works, shall forever remain in the United States.

OUSTANDING CONTRACTS

32. Except as expressly modified by the terms hereof, outstanding contracts between the United States and the respective parties hereto shall be and remain in full force and effect, and nothing contained herein shall be construed as diminishing the obligations to the United States of the City, District, Edison Company, and California Electric, or any of them, under existing contracts.

OFFICIALS NOT TO BENEFIT

33. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

NATURE OF OBLIGATIONS HEREUNDER

34. All of the obligations, responsibilities, rights and duties under this contract shall be several and not joint, except in instances where such obligations, responsibilities, rights and duties are specifically made joint by the terms hereof.

IDENTIFICATION OF CONTRACT

35. This contract shall be known as "District's 1945 Resale Contract."

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By HAROLD L. ICKES,
Secretary of the Interior.

RECONSTRUCTION FINANCE CORPORATION,
By FRANK T. RONAN,
Associate Director,
Office of Defense Plants.

[SEAL]

833942—50—69

Attest:
LEO NIELSON, *Assistant Secretary.*

THE CITY OF LOS ANGELES, acting by and through its Board of Water and Power Commissioners,
By R. A. HEFFNER, *President.*

[SEAL]

Attest:
JOSEPH L. WILLIAMS, *Secretary.*

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, by the Board of Water and Power Commissioners,
By R. A. HEFFNER, *President.*

[SEAL]

Attest:
JOSEPH L. WILLIAMS, *Secretary.*

Approved as to form and legality
this 20 day of Nov. 1945.
RAY L. CHESEBRO, *City Attorney.*
By JOHN H. MATHEWS, *Deputy.*

SOUTHERN CALIFORNIA EDISON COMPANY LTD.,
By HARRY J. BAUER, *Chairman.*

[SEAL]

Attest:
O. V. SHOWERS, *Secretary.*

Approved as to form:
GAIL C. LARKIN, *General Counsel.*

CALIFORNIA ELECTRIC POWER COMPANY,
By A. B. WEST, *President.*

Attest:
H. DEWES, *Assistant Secretary.*

Legal features approved:
COIL, *General Counsel.*

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA,
By JULIAN HINDS,
General Manager and Chief Engineer.

[SEAL]

Attest:
A. L. GRAM, *Ex-Secretary.*

Approved as to form and execution:
JAMES H. HOWARD, *General Counsel.*

RESOLUTION NO. 3560

WHEREAS, there has been presented to this Board form of contract entitled "Contract for Resale of Electric Energy at Boulder Dam Power Plant," to which The United States of America, acting through the Secretary of the Interior, Reconstruction Finance Corporation, The City of Los Angeles and its Department of Water and Power, Southern California Edison Company Ltd., California Electric Power Company, and The Metropolitan Water District of Southern California are parties; and

WHEREAS, this Board has found and determined, and does find and determine, that the best interests of The Metropolitan Water District of Southern California require approval and execution of said contract;

NOW, THEREFORE, BE IT RESOLVED, that the said form of contract be approved, and that the Executive Secretary be authorized and directed to endorse thereon the fact of such approval and to file in his office the said form so endorsed.

FURTHER, that the General Manager and Chief Engineer be authorized and directed to execute the said contract for and on behalf of the District in substantially the form so approved and filed, and that the Executive Secretary be authorized and directed to attest the signature of the General Manager and Chief Engineer, and to attach to said contract the corporate seal of the District.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California, at its meeting held September 7, 1945.

A. L. GRAM,
Executive Secretary of The Metropolitan Water District of Southern California.

[SEAL]

RESOLUTION NO. 242

WHEREAS this Board did, on September 4, 1945, by Resolution No. 112, authorize the execution of a contract providing for the purchase, in conjunction with Southern California Edison Company Ltd. and California Electric Power Corporation, of energy from the Boulder Power Plant purchased by the Metropolitan Water District of Southern California; and

WHEREAS, since the adoption of said resolution there have been certain changes in the proposed contract making it necessary and proper that said Resolution No. 112 be amended;

NOW, THEREFORE, BE IT RESOLVED that Resolution No. 112 adopted by this Board on the 4th day of September, 1945, be and the same is hereby amended to read as follows:

RESOLVED that the President, or Vice-President, and the Secretary of this Board be and they are authorized, acting in behalf of the Department of Water and Power of The City of Los Angeles and this Board, to execute a contract providing in substance for the following:

(1) Release by Metropolitan Water District for the period of the contract, i.e., to May 31, 1987, of Boulder firm energy allotted to it, except so much thereof as will be required by it in connection with the operation of its aqueduct.

(2) Sale and delivery by the Secretary of the Interior for the term of the contract of the released Metropolitan Water District Boulder firm energy to the City, Edison Company, California Electric Power Corporation, and for one year to Reconstruction Finance Corporation.

(3) Option to Reconstruction Finance Corporation to purchase power for the second year upon terms and conditions to be agreed upon, but in no event shall Reconstruction Finance Corporation be entitled to supply of electrical energy under the contract beyond a period ending six months after cessation of hostilities in the existing war with Japan.

(4) Method of delivering the energy to the various purchasers.

(5) Leasing by the Secretary of the Interior for a period of one year, to Southern California Edison Company of Generating Unit N–7 at Boulder.

(6) Method of measuring the energy sold to the various purchasers.

(7) Rates and charges to be paid by the City, the Edison Company, and California Electric Power Corporation for the energy purchased under the contract, i.e., for the first five years respectively at the rate of 40%, 50%, 65%, 80%, and 95% of the Boulder firm energy rate and 100% thereafter.

(8) Rates and charges to be paid by Reconstruction Finance Corporation for energy to be delivered at the Basic Magnesium Project.

(9) Any purchaser of energy under this contract not able to absorb all the energy purchased by it to receive, under certain circumstances, credit from the proceeds of the sale of energy to other of the purchasers at the rate for secondary energy at Boulder Power Plant.

(10) Disputes and disagreements.

(11) Term of the contract, i.e., so long as Metropolitan Water District unused energy is available to the purchasers, but not beyond 1987.

(12) Various and sundry provisions which have been a part of all contracts relating to Boulder energy in which the United States has been a party.

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of a resolution adopted by the Board of Water and Power Commissioners of The City of Los Angeles at its meeting held NOV 20 1945.

JOSEPH L. WILLIAMS, *Secretary.*

[SEAL]

Approved as to form and legality
this 20 Day of Nov. 1945.
RAY L. CHESEBRO, *City Attorney.*
By JOHN H. MATHEWS, *Deputy.*

RESOLUTION OF THE EXECUTIVE COMMITTEE OF SOUTHERN CALIFORNIA EDISON COMPANY LTD.

Adopted August 24, 1945

RE: "DISTRICT 1945 RESALE CONTRACT" AND "1945 COLLATERAL AGREEMENT."

WHEREAS, there is presented to this Executive Committee two forms of contract, one by its terms designated "District 1945 Resale Contract" and the other by its terms designated "1945 Collateral Agreement;" and

WHEREAS, said District 1945 Resale Contract is between the United States of America, Reconstruction Finance Corporation, City of Los Angeles and its Department of Water and Power, Southern California Edison Company Ltd., California Electric Power Company and the Metropolitan Water District of Southern California, and said 1945 Collateral Agreement between all of said parties with the exception of the United States of America; and

WHEREAS, by the terms of said District 1945 Resale Contract, the Edison Company will acquire from the Metropolitan Water District forty percent of all the District's unused firm energy at Boulder Dam from May 31, 1945 to and including May 31, 1987 unless said contracts are terminated as provided in said District 1945 Resale Contract; and

WHEREAS, provision is made in said contracts for the generation and delivery of said power on the terms therein specified; and

WHEREAS, it is by this Executive Committee deemed desirable that the officers of this Company be authorized to execute and deliver contracts substantially in the form of those now presented to this Executive Committee;

NOW, THEREFORE, BE IT RESOLVED, that the Chairman of the Board or the President and the Secretary or anyone of the Assistant Secretaries be and they are hereby authorized, directed and empowered to execute and deliver on behalf of this corporation contracts substantially in the form of those presented to this Executive Committee and designated, "District 1945 Resale Contract" and "1945 Collateral Agreement," when the District and Company shall have

executed and delivered a contract for the transmission of said energy satisfactory to the Chairman of the Board and the President.

BE IT FURTHER RESOLVED, that forms of contracts in the form now presented to this Executive Committee be identified by the signature of the President and the Secretary and filed with the records of the Company.

I, O. V. SHOWERS, Scretary of SOUTHERN CALIFORNIA EDISON COMPANY LTD., do hereby certify that the foregoing is a full, true and correct copy of a resolution of the Executive Committee of said corporation, unanimously adopted at a meeting of said Executive Committee duly called and held on the 24th day of August, 1945.

WITNESS my hand and the seal of said corporation this 19th day of November, 1945.

O. V. SHOWERS, *Secretary,*
Southern California Edison Company Ltd.

[SEAL]

CERTIFIED COPY OF RESOLUTION ADOPTED BY BOARD OF DIRECTORS OF CALIFORNIA ELECTRIC POWER COMPANY

Meeting held November 23, 1945

RESOLVED, that the President or any Vice-President, and the Secretary or any Assistant Secretary, of this Company are hereby authorized and directed to execute and deliver in the name and on behalf of this Company in several counterparts,

(a) that certain contract known as "District 1945 Resale Contract," dated the 31st day of May, 1945, between the United States of America and, severally, Reconstruction Finance Corporation, the City of Los Angeles and Department of Water and Power of the City of Los Angeles, Southern California Edison Company Ltd., California Electric Power Company, and Metropolitan Water District of Southern California, providing, among other things, for the sale and purchase of all of the electric energy allocated to and unused by said District and its resale customers at the Boulder Power Plant for the period June 1, 1945 and ending May 31, 1987; and

(b) that certain contract known as "1945 Collateral Contract," dated the 31st day of May, 1945, between the City of Los Angeles and Department of Water and Power of the City of Los Angeles, Southern California Edison Company Ltd., California Electric Power Company, and Metropolitan Water District of Southern California, said contract being collateral to and in furtherance of the contract mentioned in (a) above and providing, among other things, for the use of generating machinery, payment of charges, and other matters relating to the use of the energy under the contract mentioned in (a) above and also for the sale and purchase of energy unused by said District at the Parker Power Plant.

I, J. R. Gilbert, Secretary of California Electric Power Company, do hereby certify that the foregoing is a full, true and correct copy of a resolution adopted by the Board of Directors of California Electric Power Company, at a meeting of said Board duly held on the 23rd day of November, 1945, a quorum of said Board being present.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Company this 23rd day of November, 1945.

J. R. GILBERT, *Secretary.*

[SEAL]

RESOLUTION

RESOLVED, that the Executive Director, Associate Director or an Assistant Director of the Office of Defense Plants be and hereby is authorized and directed to execute for and on behalf of this Corporation a certain agreement and contract, identified as "District's 1945 Resale Contract," bearing date of May 31, 1945 between The United States of America acting by the Secretary of the Interior and, severally, Reconstruction Finance Corporation, The City of Los Angeles and its Department of Water and Power, Southern California Edison Company, Ltd., California Electric Power Company and The Metropolitan Water District of Southern California, providing, among other things, for (a) the delivery during the power year ending May 31, 1946 of a maximum of 500,000,000 kwh at a demand not in excess of 65,000 kw for the operations being carried on at the Basic Magnesium Project and for uses incident thereto, (b) the payment by Reconstruction Finance Corporation for the power used at rates and upon terms set forth in such contract, and (c) the use by Southern California Edison Company, Ltd. of the N-7 generator and related facilities at a rental of $22.50 per hour for each hour of use, subject to the terms and conditions set forth in such contract; and that the Secretary or an Assistant Secretary of this Corporation be and hereby is authorized and directed to affix the seal of this Corporation to the contract and to attest the same.

The foregoing was duly adopted by the Executive Committee of Reconstruction Finance Corporation this first day of February, 1946.

LEO NIELSON, *Assistant Secretary.*

J. M. MONTGOMERY & CO., INCORPORATED,

[ITEM 94]

BOULDER CANYON PROJECT

CONTRACT PROVIDING FOR USE OF CERTAIN GENERATING EQUIPMENT AT BOULDER POWER PLANT, APPORTIONMENT OF CHARGES THEREFOR AND OTHER MATTERS

THE CITY OF LOS ANGELES

SOUTHERN CALIFORNIA EDISON COMPANY LTD.

CALIFORNIA ELECTRIC POWER COMPANY

AND

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MAY 31, 1945

PART III. PROVISIONS OF GENERAL APPLICATION

1. THIS CONTRACT, made this 31st day of May, 1945, between THE CITY OF LOS ANGELES, a municipal corporation of the State of California, and its DEPARTMENT OF WATER AND POWER (said Department acting herein in the name of the City, but as principal in its own behalf, as well as in behalf of the City, the term "City" as herein used being deemed to include both The City of Los Angeles and its Department of Water and Power); SOUTHERN CALIFORNIA EDISON COMPANY LTD., a private corporation organized and existing under the laws of the State of California (hereinafter referred to as "Edison Company"); CALIFORNIA ELECTRIC POWER COMPANY (formerly The Nevada-California Electric Corporation, and successor to The Southern Sierras Power Company) a private corporation organized and existing under the laws of the State of Delaware (hereinafter referred to as "California Electric"); and THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, a public corporation organized and existing under the laws of the State of California (hereinafter referred to as the "District");

WITNESSETH THAT:

2. WHEREAS, pursuant to the Act of Congress approved July 19, 1940 (54 Stat. 774), designated the "Boulder Canyon Project Adjustment Act" (hereinafter referred to as the "Adjustment Act"), the United States entered into a contract with the District, dated May 29, 1941 (Symbol and No. I1r–1336), (which contract is herein referred to as "District's Energy Contract"), providing for the delivery of certain electric energy to the District, and the United States also entered into contracts, severally, with City, Edison Company, and California Electric, dated May 29, 1941 (Symbols and Nos. I1r–1334, I1r–1335 and I1r–1341), providing for delivery to them, respectively, of electric energy at Boulder Power Plant; all of said contracts being under the terms and provisions of the Project Act and Adjustment Act; and pursuant to said Adjustment Act, the Secretary promulgated General Regulations (hereinafter referred to as the "Regulations") for the generation and sale of power at the Boulder Power Plant; and

3. WHEREAS, the City, Edison Company, and California Electric (hereinafter collectively referred to as the "Purchasers") have entered into a contract of even date herewith (hereinafter referred to as the "District's 1945 Resale Contract") with the United States, Reconstruction Finance Corporation (hereinafter referred to as "RFC"), and the District, wherein the said Purchasers agree to take and/or pay for certain energy at Boulder Power Plant allotted to, but unused by, the District; and

4. WHEREAS, it has been estimated by the District that its use of firm energy from the Boulder Power Plant for pumping Colorado River water into and in

its aqueduct will not hereafter, during any year of operation, exceed by more than 150 million kilowatt hours the average annual use by the District for such purposes during the five years of operation immediately preceding; and

5. WHEREAS, the United States and the District did, under date of February 10, 1933, enter into a contract (Symbol and No. I1r–712) providing for the cooperative construction and operation of Parker Dam, said contract having been amended and supplemented by contracts entered into under dates of September 29, 1936, April 7, 1939, and July 10, 1942, respectively (said contract as amended and supplemented being hereinafter referred to as the "Parker Contract"); and

6. WHEREAS, Edison Company has, by the said District's 1945 Resale Contract, arranged for the use of Sections G-7 and T-7 at Boulder Power Plant for the period June 1, 1945, to and including May 31, 1946:

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

DEFINITIONS

7. All words used herein shall have the meanings ascribed to them in the Boulder Canyon Project Adjustment Act, the Regulations, and in the several contracts of May 29, 1941, referred to in Article 2 hereof.

PART I.

USE OF GENERATORS AND TRANSFORMERS AT BOULDER POWER PLANT AND CHARGES THEREFOR

USE OF SECTIONS G-7 AND T-7

101. (a) During the period when Edison Company shall have the exclusive right to the use of Sections G-7 and T-7, as provided in Article 17 of the District's 1945 Resale Contract, or any renewal or extension of such right, said sections shall be operated by the City as Operating Agent. Upon request of Edison Company, G-7 may be operated in parallel with Units N-5 and N-6. Such pooling of units shall apply to operating conditions only and shall have no effect upon the apportionment of generating charges.

(b) During the period ending May 31, 1946, when Edison Company shall have the exclusive right to the use of Sections G-7 and T-7, the City or the District may, with the consent of the Edison Company, have the exclusive use of said sections for such periods as may be agreed upon and shall pay to the United States for such use at the rate of $22.50 per hour, and all moneys so paid by the City or District shall be credited as received to RFC and shall be applied to reduce the minimum obligation of Edison Company as to Sections G-7 and T-7 as set out in subdivision (c) of Article 17 of the District's 1945 Resale Contract; provided, that if during the said period any one of the Boulder units

assigned to the use of the City shall become inoperative by reason of failure or breakdown and all of the Boulder units assigned to the use of Edison Company and the District shall be in operating condition, the City, during such period as shall reasonably be required for the repair and restoration to service of its unit or units, may without charge have the exclusive use of Sections G-7 and T-7 by assuming the obligation to supply, without cost to Edison Company, the generating requirements of RFC during the period of such exclusive use by the City. During such last mentioned period of use by the City, Edison Company shall continue chargeable for said Sections G-7 and T-7 under Article 17 of the District's 1945 Resale Contract, and shall be entitled to the credit for the demand charge paid by RFC under Article 21 (b) of the District's 1945 Resale Contract, as provided in Article 103 of this contract.

(c) During said period ending May 31, 1946, the City, Edison Company or District may have the exclusive use of Section T-7 without Section G-7 at such times as Section T-7 is not required by the party having the exclusive use of Section G-7, and for such use shall pay monthly for the credit of the party who has the exclusive use of Section G-7 at the rate of $5.00 per hour of such use of Section T-7.

(d) The phrase "exclusive use," as applied to sections or units referred to in this article, includes use by the party referred to, for the benefit of itself and power contractors for whom it shall have the duty of using generating equipment.

USE OF SECTIONS G-2 AND T-2

102. (a) Sections G-2 and T-2 shall be first used to generate electric energy to satisfy the operating requirements of the District, in accordance with Article 14 (b) of the District's 1945 Resale Contract, and to provide service to resale consumers under contracts referred to in Article 5 of the District's 1945 Resale Contract, if and when, pursuant to Article 9 (b) of the District's Energy Contract, the Secretary shall find it necessary or economically advantageous to provide such service by means of said sections. Subject to such uses, Sections G-2 and T-2 shall be used at 60 cycles for service of Edison Company. The District, after consultation with Edison Company, will make such arrangements as are practicable and necessary to the joint service of the District and Edison Company for providing a substitute generator to temporarily replace N-5 or N-6 during outages of such units for inspection, tests, repairs, and overhauling. As between the District and Edison Company, the generating charges on the said sections shall be apportioned as hereinafter agreed; provided that nothing herein shall modify or affect the obligation of either party to the United States.

(b) With the consent of the District and Edison Company, the City may have the exclusive use of Unit N-5 or N-6 for such periods as may be agreed upon. For the exclusive use of Unit N-5 or N-6 by any party other than the District or Edison, the user shall pay the United States, for credit against the District's

generating charges at Boulder Power Plant, a rate per hour for such use equal to one-half the sum of the annual generating charges for Sections G-2 and T-2 as estimated by the Secretary for the then current year of operation, divided by 8,000, without further adjustment. If and when the District shall have assumed the obligation to pay the generating charges for Sections G-7 and T-7 the rate per hour for the exclusive use of Units N-5, N-6, or N-7 by any party other than the District or Edison Company shall be equal to one-third the sum of the annual generating charges for Sections G-2, T-2, G-7, and T-7 as estimated by the Secretary for the then current year of operation, divided by 8,000, without further adjustment.

(c) With the consent of the District and Edison Company, any electric energy from Boulder Power Plant which RFC may have the right to have delivered to the 230 kv. lines of RFC may be generated on Sections G-2 and T-2 with or without Sections G-7 and T-7.

(d) Nothing herein shall be construed to interfere with the right of the United States to interchange energy under any program of integration determined pursuant to Article 9 (a) of District's Energy Contract and Article 20 of the Agency Contract, being Exhibit 1 attached to the said District's Energy Contract, or pursuant to Article 16 of the District's 1945 Resale Contract.

APPORTIONMENT OF RECEIPTS FROM RFC

103. (a) The charges at the rate of 50 cents per month per kilowatt of maximum 30-minute demand paid by RFC pursuant to the provisions of Article 21 (b) of the District's 1945 Resale Contract up to but not exceeding an aggregate of $135,000 for the year of operation ending May 31, 1946, shall be credited as follows: When Edison Company is using Section G-7 at 50 cycles, or is receiving credit for the exclusive use of said section by others, 50 per cent to Edison Company, and 50 per cent to the District; at all other times 90 per cent to Edison Company, 10 per cent to the District.

(b) Such charges paid by RFC in excess of $135,000 in one year shall be credited, 55 per cent to the City, 40 per cent to Edison Company, and 5 per cent to California Electric.

(c) In the event that, pursuant to the provisions of Article 21 (b) of the District's 1945 Resale Contract, the rights and obligations of RFC to take and pay for energy shall be terminated prior to May 31, 1946, the figure of $135,000 used in the foregoing provisions of this Article 103 shall be reduced in the same manner and to the same amount that the minimum obligation of RFC under said Article 21 (b) of the District's 1945 Resale Contract shall be reduced.

PAYMENT OF GENERATING CHARGES BY DISTRICT

104. Generating charges for all equipment assigned to service of the District by the District's Energy Contract and charges for other equipment at Boulder

Power Plant which may from time to time be used for the joint service of Edison Company and the District, shall be paid to the United States by the District.

GENERATION FOR CALIFORNIA ELECTRIC

105. As between Edison Company and District, energy generated on Section G-2 for California Electric shall, for the purpose of determining and billing generating charges as provided in Article 201 hereof, be considered as generated for Edison Company, and as between Edison Company and California Electric, all energy generated for California Electric under District's 1945 Resale Contract on sections other than G-2 shall, for the purpose of determining and billing California Electric, be considered as generated on Section G-2. All of the provisions of this Article 105 are without prejudice to any arrangement Edison Company and California Electric shall make between themselves as to payment of generating charges.

PART II.

AGREEMENTS BETWEEN THE PARTIES HERETO NOT AFFECTING THE ACCOUNTING OF GENERATING CHARGES BY THE UNITED STATES

CHARGES TO BE PAID BY EDISON COMPANY TO DISTRICT

201. (a) The total generating and other charges paid by the District as stated in Article 104 hereof, less the credits received by the District for the use of any unit or item of said equipment or service therefrom, including credits received by the District out of charges paid by RFC, shall constitute the "District's Net Generating Costs."

(b) Subject to the provisions of Article 105 hereof, from and after the date when power for Edison Company shall first be generated in Section G-2, for delivery under the District's 1945 Resale Contract, Edison Company shall pay to the District monthly that proportion of the District's Net Generating Costs for the month, which the energy from Boulder Power Plant generated on Section G-2 for Edison Company during the month shall bear to the total energy from Boulder Power Plant generated on Section G-2 during such month for District and Edison. For the purposes of this subdivision, energy from Boulder Power Plant generated on Section G-2 shall be deemed to include substitute energy generated at hydro-electric plants of the United States on the Colorado River below Boulder Dam, and delivered to the District's line in carrying out the interchange of energy as provided in Article 9 (a) of the District's Energy Contract, and shall exclude energy delivered to RFC lines under the District's 1945 Resale Contract and energy generated on said Section G-2 for the United States in carrying out such interchange of energy.

(c) Bills shall be rendered by the District on or before the 10th day of

each calendar month for charges incurred under this Article 201 during the preceding calendar month, and charges so billed shall be payable prior to the first day of the following month. Such monthly payments by Edison Company to the District shall be based on "District's Net Generating Costs" for the month as estimated by the District, and within thirty (30) days after the parties shall have been advised by the United States as to the actual generating charges for the period involved, adjustment shall be made by payment or refund to correct the payments by Edison Company to the District to accord with this contract; provided, however, that the minimum annual payment by Edison Company on account of generating costs shall be that proportion of the "District's Net Generating Costs" for the year, which 75 per cent of the energy agreed to be taken and/or paid for by Edison Company and California Electric during the year under the District's 1945 Resale Contract bears to the sum of said 75 per cent of such energy, and the energy generated on Section G-2 for the District during the year; provided that in the apportionment of generating charges between the District and Edison Company all energy transmitted over the District's 230-kv. transmission line for the use of the District, except the District's energy from Parker Power Plant, shall be deemed to have been generated on Section G-2.

(d) During the period of this contract, after the date when the District, pursuant to provisions of Article 305 of that certain contract designated "Agreement Arranging Power Supply for Defense Plant Corporation," dated May 9, 1942 (Symbol and No. Ilr–1387), shall have become obligated to pay the generating charges on Sections G-7 and T-7, Sections G-2 and G-7 shall be considered as one section, and Sections T-2 and T-7 shall be considered as one section. During such period all rights and obligations of the District and Edison Company as to Sections G-2 and T-2 hereunder, in the absence of other agreement between the District and Edison Company, shall apply to said combined sections.

USE BY DISTRICT OF EXCESS ENERGY

202. (a) The term "Excess Energy," as used in this Article 202 shall mean all firm energy from Boulder Power Plant taken by the District for pumping Colorado River water into and in its aqueduct in any year of operation during the term hereof in excess of the aggregate of 150 million kilowatt hours and the average annual use of such energy by the District during the five years of operation immediately preceding. Within its allotment of firm energy from Boulder Power Plant under District's Energy Contract, the District shall be entitled to take all energy from that source required for pumping Colorado River water into and in its aqueduct in the proper operation of its water supply system as determined by the District. If the District shall take Excess Energy from the Boulder Power Plant for pumping Colorado River water into and in

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its aqueduct, such Excess Energy, in the absence of other agreement on the part of the Purchasers, shall be deemed to be supplied to the District by the Purchasers in the following proportions, i.e., 55 per cent thereof by the City, 40 per cent thereof by Edison Company, and 5 per cent thereof by California Electric. For any such Excess Energy taken during the period that RFC shall be entitled to electric energy under Article 15 of the District's 1945 Resale Contract, or any renewal or extension thereof, and during that part of the term of this contract after May 31, 1950, the District will pay to the Purchaser or Purchasers supplying such energy, the incremental cost of supplying equivalent replacement energy at the load center, less the amount which the Excess Energy would have cost said Purchaser or Purchasers, including payments for falling water and incremental generating costs at Boulder Power Plant, had the Excess Energy been taken by the Purchasers; provided, however, that the payment by the District for Excess Energy, to the Purchaser or Purchasers supplying such energy, shall be not less than one mill per kilowatt hour of such Excess Energy. For the purpose of computing such payments, replacement energy shall be deemed to have been supplied from the lowest cost source available to the Purchasers, respectively. "Incremental cost," as the term is used in this Article, means the increase in expeditures attributable to the supply or generation of the energy involved, over the expenditures which would have been made in the absence of the supply or generation of such energy.

(b) It is recognized that at times the use by the District of energy from the Boulder Power Plant, beyond that required in the normal operation of its water supply system, may be of advantage to the Purchasers, and nothing herein shall be construed to prevent any agreement between the parties hereto for the use by the District of such additional energy upon such terms and conditions as may be agreed to by the parties affected.

(c) In the event that as a result of Act of God or of the public enemy, or any unforeseen or unavoidable cause, the energy released by the District, as provided in Article 14 of the District's 1945 Resale Contract, during any year of operation shall be increased over the amount estimated by the District pursuant to Article 22 of the District's 1945 Resale Contract to be released during such year of operation and any Purchaser shall sustain injury and damage, as a result thereof, the District shall compensate the injured Purchaser in the amount of such damage.

(d) During the term of this contract, without the consent of City and Edison Company, the District will not use, at its five main pumping plants, electric energy from any source or sources other than those available to it under District's Energy Contract, the Parker Contract, and District's 1945 Resale Contract.

PARKER ENERGY

203. (a) When the cost of Units 3 and 4 at the Parker Power Plant and of incidental works allocated to the District, as provided in the Parker Contract,

shall have been completely amortized by rentals received from the United States as provided in said contract, the District shall exercise its right to have the use and benefit of said Units transferred to the District. After the transfer of the use and benefit of said Units 3 and 4, or either of them, to the District, whether at the time of completion of amortization or earlier, energy generated on the Units so transferred shall be used only in connection with the development, transportation, treatment and distribution of water by the District and shall be so used in preference to energy from Boulder Power Plant.

(b) In the event that when the use and benefit of either or both of said Units at Parker Power Plant shall be transferred to the District, the District's energy requirements are such that said Unit or Units, considering usable water supply, shall be capable of producing energy at transmission voltage at Parker Power Plant in addition to that used by the District in connection with the development, transportation, treatment and distribution of water, City, Edison Company, and California Electric will each take and/or pay for 55 per cent, 40 per cent and 5 per cent respectively of such energy unused by the District for said purposes at the then firm energy rate per kilowatt hour for falling water at Boulder Power Plant, plus a generating charge of 0.5 mills per kilowatt hour; provided that City, Edison Company or California Electric shall not be so obligated to take and/or pay for such energy unless notice of the availability thereof shall have been given to each of them at least sixty days prior to the time when such energy shall be so available, nor in any amount in excess of the maximum amount estimated by the District to be so available, and stated in such notice. Bills hereunder shall be rendered by the District on or before the 10th day of each month, for energy agreed to be taken and/or paid for during the preceding month, and payments shall be made prior to the first day of the following month. If through no fault or failure of the District or its facilities or of the equipment at Parker Power Plant any of such energy unused by District shall not be taken by City, Edison Company or California Electric during any month and the operating agency at Parker Power Plant is ready and willing to generate the same, then the amount of energy agreed to be taken and/or paid for under this Article 203 (b) shall be estimated on the basis of one half of the total water available for the generation at Parker Power Plant during the month, the generating capacity of the units involved, the average energy output per acre foot of water used at the Parker Power Plant for the month and the energy actually generated on said Units 3 and 4. All such energy agreed to be taken and/or paid for by the City will, unless other arrangements are made, be taken by Edison Company at Parker Power Plant and delivered to City as follows:

(i) Edison Company hereby consents that the United States make available at Boulder Power Plant to City an amount of water, which otherwise would be alloted to Edison Company, sufficient to generate City's share of such additional energy so generated at Parker Power Plant or for which it pays District as aforesaid, or

(ii) If City elects and so notifies Edison Company, Edison Company will, if in its opinion transmission facilities available to it will permit, deliver City's share of such energy to it at a point or points of interconnection between City's system and that of Edison Company in the Los Angeles area, in which event City will pay to Edison Company the incremental cost of transmitting the energy to such point or points of interconnection.

MUTUAL ASSISTANCE, CITY AND EDISON

204. (a) City and Edison Company during the period ending May 31, 1950 will assist each other in the matter of the utilization of District unused energy in the event either is unable in any year of operation during such period to take its portion of energy under the District's 1945 Resale Contract. If, for any year of operation during such period, it shall appear from the statements rendered by the United States for Boulder energy, that either City or Edison Company shall not have taken its respective portion of said energy under the District's 1945 Resale Contract and that the other shall have taken Boulder energy for which it has paid the United States under the Regulations at the rate for secondary energy, a financial adjustment shall be made directly between City and Edison Company. The party taking, during such year of operation, the Boulder energy at the rate for secondary energy shall pay the other party, within thirty (30) days after the regular billing for May of such year of operation, an amount equal to the product of the number of kilowatt hours of energy so taken (but not in excess of the number of kilowatt hours of said District unused energy not taken by the other during said year of operation) and a rate equal to the difference between the rate then in effect under the District's 1945 Resale Contract for District unused energy and the rate for secondary energy.

(b) The party who has energy remaining from its obligation to take and/or pay for District unused energy under the District's 1945 Resale Contract may dispose of such remaining energy, or portions thereof, by generating and transmitting it to points of system interconnection with the other party at such times and in such amounts as they shall mutually agree upon. The rate to be paid the party generating and transmitting the energy by the party receiving such energy shall be the rate in effect for District unused energy for that year of operation under the District's 1945 Resale Contract. Such energy shall be metered at the points of delivery and adjusted for transmission losses from Boulder Power Plant. Bills shall be rendered on or before the tenth day of each calendar month for such energy delivered during the preceding calendar month, and shall be payable prior to the first day of the following month.

(c) The City and Edison Company, in order to effectuate the understanding set forth in this Article, will, on or before June 1st of each of the first five years of operation of the term of this contract and from time to time during each of said years of operation, make available to the other the esti-

mate of such District unused energy which, in its opinion, will be available to the other during the remainder of such year of operation.

DISPUTES AND DISAGREEMENTS

205. Disputes or disagreements between any of the parties to this contract as to the interpretation or performance of the provisions hereof shall be determined either by arbitration or court proceedings. Whenever a controversy arises out of this contract, and the disputants agree to submit the matter to arbitration, each disputant shall name one arbitrator and the two arbitrators thus chosen shall select a third arbitrator, but in the event of their failure to name such third arbitrator within five (5) days after their first meeting, such third arbitrator shall be named by the Chief Justice of the Supreme Court of the State of California. The decision of any two of such arbitrators shall be a valid award of the arbitrators, and shall be final and binding as to the disputants.

PART III.

Provisions of General Application

TERM

301. The term of this contract shall be coextensive with the term of that certain District's 1945 Resale Contract referred to in Article 3 hereof, and no rights or obligations shall arise hereunder unless and until said District's 1945 Resale Contract shall become effective.

NOTICES

302. (a) Any notice, demand or request required or authorized by this contract to be given or made to or upon the District shall be delivered or mailed postage prepaid, to the General Manager and Chief Engineer of the District, Los Angeles, California.

(b) Any notice, demand or request required or authorized by this contract to be given or made upon the City shall be delivered or mailed postage prepaid, to the General Manager and Chief Engineer of the Department of Water and Power of The City of Los Angeles, Los Angeles, California.

(c) Any notice, demand or request required or authorized by this contract to be given or made upon the Edison Company shall be delivered or mailed postage prepaid, to the President of the Edison Company, Los Angeles, California.

(d) Any notice, demand or request required or authorized by this contract to be given or made upon California Electric shall be delivered or mailed postage prepaid to the General Manager, California Electric Power Company, Riverside, California.

NATURE OF OBLIGATIONS HEREUNDER

303. All of the obligations, responsibilities, rights and duties under this contract shall be several and not joint, except in instances where such obligations, responsibilities, rights and duties are specifically made joint by the terms hereof.

IDENTIFICATION OF CONTRACT

304. This contract shall be known as "1945 Collateral Contract."

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE CITY OF LOS ANGELES, acting by and through its Board of Water and Power Commissioners,

By R. A. HEFFNER, *President.*

Attest:

JOSEPH L. WILLIAMS, *Secretary.*

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, by the Board of Water and Power Commissioners,

By R. A. HEFFNER, *President.*

Attest:

JOSEPH L. WILLIAMS, *Secretary.*

[SEAL]

SOUTHERN CALIFORNIA EDISON COMPANY, LTD.,

By HARRY J. BAUER, *Chairman.*

Attest:

O. V. SHOWERS, *Secretary.*

[SEAL]

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA,

By JULIAN HINDS,

General Manager and Chief Engineer.

Attest:

A. L. GRAM, *Executive Secretary.*

[SEAL]

CALIFORNIA ELECTRIC POWER COMPANY,

By A. B. WEST, *President.*

Attest:

H. DEWES, *Assistant Secretary.*

[SEAL]

Approved as to form and legality
this 20th day of November, 1945.
RAY L. CHESEBRO, *City Attorney.*
By JOHN H. MATHEWS, *Deputy.*

Approved as to form:
GAIL C. LARKIN,
40–20–45

Approved as to form and execution:
JAMES H. HOWARD, *General Counsel.*

Legal features approved:
COIL, *General Counsel.*

[ITEM 95]

BOULDER CANYON PROJECT

CONTRACT FOR THE SALE OF ELECTRICAL ENERGY

THE UNITED STATES

AND

ARIZONA POWER AUTHORITY

NOVEMBER 23, 1945

(I1r–1455)

1. THIS CONTRACT, made this 23rd day of November, 1945, pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat. 1057), designated the Boulder

Canyon Project Act (hereinafter referred to as the "Project Act"), and to the Act of Congress approved July 19, 1940 (54 Stat. 774), designated the Boulder Canyon Project Adjustment Act (hereinafter referred to as the "Adjustment Act"), between THE UNITED STATES OF AMERICA (hereinafter referred to as the "United States"), acting for this purpose by Harold L. Ickes, Secretary of the Interior (hereinafter referred to as the "Secretary"), and the ARIZONA POWER AUTHORITY, a body corporate and politic (hereinafter referred to as the "State"), acting in pursuance of an Act of the Legislature of the State of Arizona entitled "An Act creating and establishing the Power Authority of the State of Arizona as a body corporate and politic, describing its nature, scope, general and special jurisdiction and authority, powers, government, personnel and routine: providing for the construction of power projects, works and facilities; prescribing also functional and operating features; relating to surveys, plans, investigations and construction; providing for its fiscal powers, income, revenue, tolls, and charges for electricity; and making an appropriation, repealing conflicting statutes, making provisions separable, and declaring an emergency," approved March 27, 1944 (Chapter 32, Session Laws of Arizona, 1944, Second Special Session of the Sixteenth Legislature);

WITNESSETH THAT:

EXPLANATORY RECITALS

2. WHEREAS, pursuant to the provisions of the Project Act, the United States entered into a certain contract designated as "Contract for Lease of Power Privilege," dated April 26, 1930, with severally, The City of Los Angeles and its Department of Water and Power and Southern California Edison Company Ltd. (hereinafter referred to as the "City" and "Edison Company," respectively), which contract was thereafter amended by two certain contracts between the same parties, dated May 28, 1930, and September 23, 1931, and was also modified by a certain contract between the United States and the City, dated July 6, 1938, and consented to by Edison Company, which Contract for Lease of Power Privilege, dated April 26, 1930, together with said amendatory and modifying contracts, are hereinafter collectively referred to as the "Lease;" and

3. WHEREAS, by the terms of the Adjustment Act it is provided, among other things, that the Secretary is authorized to negotiate for and enter into a contract for the termination of the existing Lease of the Boulder Power Plant, and that the Secretary, in consideration of such termination of the Lease, is authorized to designate the City and Edison Company as the agents of the United States for the operation of the Boulder Power Plant; and

4. WHEREAS, under date of May 29, 1941, the United States and the City and Edison Company (hereinafter collectively referred to as "Operating Agents") have executed a contract designated "Contract for the Operation of Boulder Power Plant," a copy of which said contract is attached hereto, marked "Exhibit 1;" and

5. WHEREAS, under date of May 20, 1941, the Secretary approved and promulgated "General Regulations for Generation and Sale of Power in Accordance with the Boulder Canyon Project Adjustment Act," a copy of which is attached hereto, marked "Exhibit 2;" and

6. WHEREAS, at the joint request of the State of Nevada, the cities of Burbank, Glendale and Pasadena (hereinafter referred to as "the Municipalities"), and the City, provisions substantially similar, in so far as applicable to this contract, to the provisions of Article 11 (b) hereof were incorporated in contracts, under the Adjustment Act, for the sale of electrical energy by the United States to the State of Nevada, the Municipalities and the City, respectively;

7. NOW, THEREFORE, in consideration of the provisions, covenants and conditions herein contained, the parties hereto agree as follows, to wit:

REGULATIONS AND AGENCY CONTRACT

8. (a) This contract is subject to all the terms and provisions of Exhibit 2 hereof which is hereby made a part hereof as fully and completely as though set out herein at length, and this contract is subject to such other rules and regulations as hereafter may be promulgated by the Secretary pursuant to law and to Article 27 of Exhibit 2 hereof.

(b) The State hereby consents that the United States shall, and the United States agrees that it shall, cause the energy agreed to be delivered hereunder to be generated and delivered in accordance with the provisions of Exhibit 1; and the parties hereto agree that the rights and obligations of the State under this contract shall be controlled by the provisions of Exhibit 1 to the extent that such provisions are applicable to the State as an allottee or contractor for electrical energy; provided, however, that in the event that such Exhibit 1 shall be terminated as to either or both of the Operating Agents therein named, the United States thereafter shall itself generate and deliver the energy agreed by the United States to be generated and delivered through the agent or agents as to which said Exhibit 1 shall have been terminated.

TERMS FOR WITHDRAWAL OF ENERGY

9. No notice of withdrawal of energy shall be given to the United States by the State unless and until the State shall have previously or simultaneously procured a purchaser or purchasers therefor and (1) such purchaser or purchasers shall have furnished an indemnity bond, by a corporation qualified under the laws of the State, payable to the State and the United States, jointly and severally, in an amount equal to the maximum obligation of such purchaser or purchasers for the energy withdrawn for its or their use and benefit for the period of time required by the State to effectively relinquish the energy withdrawn for such purchaser or purchasers, and conditioned for the full and faithful performance of the contract or other agreement of purchase, or (2) until

such purchaser or purchasers shall have furnished in lieu of such indemnity bond other collateral satisfactory to the State and to the United States.

WHEN ENERGY REQUIRED TO BE RELINQUISHED

10. In event of termination or other abrogation of any contract or agreement of purchase of energy from the State, the State shall promptly give the United States notice of relinquishment of the energy withdrawn for such purchaser, unless within ninety (90) days thereafter the State shall enter into a contract or contracts with another purchaser or purchasers for the energy covered by such terminated or abrogated contract, and shall require such purchaser or purchasers to furnish bond in the same amount as though such energy had been withdrawn for its or their use and benefit.

DELIVERY OF ENERGY

11. (a) The United States agrees to deliver at transmission voltage at Boulder Power Plant, and the State agrees to take and/or pay for, electrical energy for use by it (directly or under contract) in accordance with the provisions of Article 8 hereof, for the period from the effective date of this contract to May 31, 1987, inclusive, in accordance with notices of withdrawal of energy and notices of relinquishment of energy given as provided in Exhibit 2.

(b) Section G-1 shall be used solely for the service of the City and the Municipalities and the United States, and Section G-3 shall be used solely for the service of the City and the United States, except that the States of Nevada and Arizona shall be entitled to generation of electrical energy of said Section G-3 up to but not exceeding a combined demand of 44,000 kilowatts, and such resale consumers of energy allocated to but not taken by The Metropolitan Water District of Southern California as were served by said Section G-1 on May 29, 1941, shall be entitled to generation of electrical energy by means of said Section G-3 up to but not exceeding a combined demand of 6,000 kilowatts plus such portion of said 44,000 kilowatts as is not in use or required by the States; provided, that such resale consumers shall not be entitled to take in excess of 70,000,000 kilowatt hours of electrical energy in any one year of operation.

The fact that energy generated by means of Section G-3 may in fact reach any of said Municipalities, shall not be deemed to be in violation of the foregoing provisions.

The foregoing provisions of this Article 11 (b) relate only to operating conditions, and are not to be construed as an agreement, contemplated by Article 18 of Exhibit 2, relating to or affecting in any way the apportionment of generating charges. Notwithstanding the operating conditions provided for in this Article 11 (b), generating charges for Sections G-1 and G-3 shall be considered as charges for a single section and shall be apportioned in accordance with the provisions of Article 18 of Exhibit 2.

DELIVERY OF WATER FOR GENERATION OF ELECTRICAL ENERGY

12. (a) Subject to:

(i) The statutory requirement that Boulder Dam and the reservoir created thereby shall be used: First, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of perfected rights mentioned in Section 6 of the Project Act; and third, for power; and

(ii) the further statutory requirement that this contract is made upon the express condition and with the express covenant that the rights of the State, as a contractor for electrical energy, to the use of the waters of the Colorado River, or its tributaries, shall be subject to and controlled by the Colorado River Compact;

the United States will deliver to the State energy in the manner required by this contract, in the quantity to which the State is entitled hereunder, and in accordance with the State's load requirements.

(b) The United States reserves the right temporarily to discontinue or reduce the delivery of water for the generation of electrical energy at any time for the purpose of maintenance, repairs and/or replacements, or installation of equipment, at the Project, and for investigations and inspections necessary thereto; provided, however, that the United States shall, except in case of emergency, give to the State reasonable notice in advance of such temporary discontinuance or reduction, and that the United States shall make such inspections and perform such maintenance and repair work, after consultation with the State, at such times and in such manner as to cause the least inconvenience to the State, and that the United States shall prosecute such work with diligence, and, without unnecessary delay, resume delivery of water so discontinued or reduced.

(c) Should the delivery of water, for any reason or cause, other than any act or omission of the State, be discontinued or reduced below the amount required for the generation of firm energy in accordance with the provisions of this contract, the total number of hours of such discontinuance or reduction in any year shall be determined by taking the sum of the number of hours during which the delivery of water is totally discontinued, plus the product of the number of hours during which the delivery of water is partially reduced and the percentage of said partial reduction below the actual quantity of water required for generation of firm energy. Total or partial reductions in the delivery of water which do not reduce the power output below the amount required at the time for generation of firm energy will not be considered in determining the total hours of discontinuance in any year. The minimum annual payment specified in Article 16 hereof shall be reduced by the ratio that the total number of hours of such discontinuance bears to eight thousand seven hundred sixty (8,760).

(d) In no event shall any liability accrue against the United States, its officers, agents and/or employees, for any damage, direct or indirect, arising on

account of drought, hostile diversion, Act of God, or the public enemy, or other similar cause; nevertheless interruptions in delivery of water occasioned by such causes shall be governed as provided in this Article 12. In the event of shortage of electrical energy at Boulder Power Plant due to shortage of water, the available electrical energy shall be prorated among all allottees concerned, on the basis of their respective obligations to take and/or pay for firm energy in the year of operation in which the shortage occurs.

MEASUREMENT OF ENERGY

13. All electrical energy shall be measured at generator voltage. In all instances in which energy shall be delivered to the State over the facilities of others such energy shall be measured in combination with all energy delivered over such facilities. Suitable correction shall be made in the amounts of energy as measured at generator voltage to cover step-up transformer losses. Suitable metering equipment, satisfactory to the United States, for measuring the energy actually delivered to the State shall be provided, as agreed to by the owner or owners of the facilities over which such energy is transmitted and the State, and if necessary suitable correction shall be made to cover transmission and transformer losses to determine the amount of energy delivered to the State at transmission voltage at Boulder Power Plant. The United States' determination of said amount shall be conclusive. The electrical energy delivered hereunder during any period in which the meters furnished to measure such electrical energy fail to register shall, for billing purposes, be estimated from the best information available. The testing of meters and calibration of testing equipment shall be in accordance with Article 19 of Exhibit 1. If said exhibit should be terminated, the same provisions shall apply as nearly as may be.

ENERGY RATES AND GENERATING CHARGES

14. The rates and charges to be paid by the State for electrical energy under this contract shall be in accordance with those specified in Exhibit 2.

BILLING AND PAYMENTS

15. (a) The State shall pay monthly for electrical energy and for the generation thereof in accordance with the energy rates and generating charges specified in Exhibit 2. The energy bill for each month shall be computed at the rate for firm energy in effect when such energy was taken on the basis of the actual amount of energy used during such month; provided, however, that the bill for energy for the month of May of each year shall not be less than the difference between the minimum annual energy payment, as provided in Article 16 hereof, and the sum of the amounts charged for firm energy during the preceding eleven months. The United States will submit bills to the State by the tenth of each

month immediately following the month during which the energy was generated, and payments shall be due on the first day of the month immediately succeeding. If such charges (less proper and applicable credits) are not paid when due an interest charge of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional interest charge of one per centum (1%) of the principal sum unpaid shall be added on the first day of each succeeding calendar month until the amount due, including such interest, is paid in full, but nothing contained in this article shall be construed as in any manner abridging, limiting, or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have.

(b) In accordance with the provisions of Section 4 (b) of the Adjustment Act, in the event payments to the States of Arizona and Nevada, or either of them, under Section 2 (c) of the Adjustment Act, shall be reduced by reason of the collection of taxes mentioned in said section, adjustments shall be made, from time to time, with each allottee which shall have paid any such taxes, by credits or otherwise, for that proportion of the amount of such reductions which the amount of the payments of such taxes by such allottee bears to the total amount of such taxes collected.

MINIMUM ANNUAL PAYMENTS

16. The minimum quantity of firm energy which the State shall take and/or pay for at firm energy rates in each year of operation under the terms of this contract shall be the total kilowatt hours stated in notices of withdrawal which are in effect as of June 1 of such year of operation as properly adjusted to account for the number of kilowatt hours for the remainder of such year of operation added or subtracted by notices of withdrawal or relinquishment becoming effective during such year of operation. No period of less than one day will be considered in making such adjustments. The minimum annual energy payment shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article 12 hereof.

DURATION OF CONTRACT

17. This contract shall remain in effect to and including May 31, 1987, unless sooner terminated as elsewhere herein provided. The State, if this contract has not been terminated prior to said date, shall be entitled to a renewal hereof upon such terms and conditions as may be authorized or required under the then existing laws and regulations, unless the property of the State dependent for its usefulness on a continuation of this contract be purchased or acquired, and the State be compensated for damages to its property, used and useful in the transmission and distribution of such electrical energy and not taken, resulting from the termination of the supply.

NO ENERGY TO BE DELIVERED WITHOUT PAYMENT

18. Unless an extension of time for payment has been first obtained from the Secretary, in writing, no energy shall be generated for, or delivered to, the State if it shall be in arrears for more than twelve (12) months in the payment of any charge due to the United States hereunder.

CONTRACT MAY BE TERMINATED IN CASE OF DEFAULT IN PAYMENT

19. If the State shall be in arrears for more than twelve (12) months in the payment of any charge, including interest, due to the United States hereunder, and shall not have obtained an extension of time from the Secretary for the payment thereof, or, if such extension be obtained, has not made such payment within the time as extended, then the Secretary shall have the right forthwith upon written notice to the State to terminate this contract; provided, that the State shall have the right at any time within four (4) years from date of the first of the defaults for which the contract is terminated, to become reinstated hereunder by payment to the United States of all arrearages including interest, if any, together with any and all loss incurred by the United States by reason of such termination and compensation to the allottees affected for property rendered idle by such reinstatement. If the State and the allottees affected fail to agree on such compensation, the disagreement shall be determined by arbitration as provided in Article 25 of Exhibit 2. Nothing contained in this contract shall relieve the State from the obligation to make the United States whole, for the period of this contract, for all loss and/or damage occasioned by the failure of the State to take and/or pay for energy as provided in this contract.

ACCESS TO BOOKS AND RECORDS

20. The Secretary or his duly authorized representatives shall have free access at all reasonable times to the books and records of the State relating to the transmission and disposal of electrical energy hereunder, with the right at any time during office hours to make copies of or from the same.

USE OF PUBLIC AND RESERVED LANDS OF THE UNITED STATES

21. The use is authorized of such public and reserved lands of the United States as may be necessary or convenient for the construction, operation and maintenance of main transmission lines, to transmit electrical energy generated at Boulder Dam, together with the use of such public and reserved lands of the United States as may be designated by the Secretary, from time to time, for camp sites, residences for employees, warehouses and other uses incident to the operation and maintenance of such main transmission lines.

MODIFICATIONS

22. Any modifications, extension or waiver by the Secretary, subsequent to May 31, 1941, of any of the terms, provisions or requirements of any regulation or contract, promulgated or executed subsequent to May 19, 1941, for the benefit of any one or more of the allottees shall not be denied to the State.

DISPUTES AND DISAGREEMENTS

23. Disputes or disagreements between the United States and the State as to the interpretation or performance of the provisions of this contract shall be determined either by arbitration or court proceedings. If in any such arbitration or court proceedings or otherwise any sum or amount paid by the State on the demand or bill of the United States under this contract shall be held not to have been due or owing, payment shall not be deemed to have been voluntary, and such sum or amount shall be refunded. Whenever a controversy arises out of this contract, and the disputants agree to submit the matter to arbitration the Secretary shall name one arbitrator and the State shall name one arbitrator, and the two arbitrators thus chosen shall select a third arbitrator, but in the event of their failure to name such third arbitrator within five days after their first meeting, such third arbitrator shall be named by the Chief Justice of the Supreme Court of the United States. The decision of any two of such arbitrators shall be a valid award of the arbitrators, and shall be final and binding as to the parties hereto.

PRIORITY OF CLAIMS OF THE UNITED STATES

24. Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured.

TITLE TO REMAIN IN UNITED STATES

25. The title to Boulder Dam and reservoir, Boulder Power Plant, and incidental works, including generating machinery and equipment, shall forever remain in the United States.

EFFECT OF WAIVER OF BREACH OF CONTRACT

26. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any provision hereof, or of any other subsequent breach of any provision hereof.

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TRANSFER OF INTEREST IN CONTRACT

27. No voluntary transfer of this contract, or of the rights of the State hereunder, shall be made without the written approval of the Secretary; and any successor or assign of the rights of the State, whether by voluntary transfer, judicial sale, trustee's sale, or otherwise, shall be subject to all the conditions of the Project Act as modified by the Adjustment Act, and of the Adjustment Act, and also subject to all the provisions and conditions of this contract to the same extent as though such successor or assign were the original contractor hereunder; provided, that the execution of a mortgage or trust deed, or judicial or trustee's sale made thereunder, shall not be deemed a voluntary transfer within the meaning of this Article.

NOTICES

28. (a) Any notice, demand or request required or authorized by this contract to be given or made to or upon the United States shall be delivered, or mailed postage prepaid, to the Director of Power, United States Bureau of Reclamation, Boulder City, Nevada, except where, by the terms hereof, the same is to be given or made to or upon the Secretary, in which event it shall be delivered, or mailed postage prepaid, to the Secretary, at Washington, D. C.

(b) Any notice, demand or request required or authorized by this contract to be given or made to or upon the State shall be delivered, or mailed postage prepaid, to the Secretary of the Arizona Power Authority, Phoenix, Arizona.

(c) The designation of any person specified in this article or in any such request or notice, or the address of any such person, may be changed at any time by notice given in the same manner as provided in this article for other notices.

CONTRACT CONTINGENT UPON APPROPRIATIONS

29. This contract is subject to appropriations being made by Congress from time to time of money sufficient to make all payments and to provide for the doing and performance of all things on the part of the United States to be done and performed under the terms hereof, and to there being sufficient money available in the Colorado River Dam fund for such purposes. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient money not being so appropriated, or on account of there not being sufficient money in the Colorado River Dam fund for such purposes.

OFFICIALS NOT TO BENEFIT

30. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By HAROLD L. ICKES,
Secretary of the Interior.

ARIZONA POWER AUTHORITY,
By M. J. DOUGHERTY, *Chairman.*

Attest:
MILDRED MCCLAIN, *Secretary.*

[SEAL]

[ITEM 96]

B. REGULATIONS

BOULDER CANYON PROJECT

GENERAL REGULATIONS FOR LEASE OF POWER

APRIL 25, 1930

AMENDED MARCH 10, 1931, JULY 1, 1931, NOVEMBER 16, 1931

I

The United States will, at its own cost, construct in the main stream of the Colorado River at Black Canyon, a dam, designated as Hoover Dam, creating thereby at the date of completion, a storage reservoir having a maximum water surface elevation at about twelve hundred twenty-two (1222) feet above sea level (U. S. Geological Survey datum) of a capacity of about twenty-nine million five hundred thousand (29,500,000) acre-feet. The United States will also construct in connection therewith outlet works, pressure tunnels, penstocks, power plant building, and furnish and install generating, transforming and high voltage switching equipment for the generation of the energy allocated to the various allottees respectively. Title to Hoover Dam, reservoir, plant and incidental works, shall forever remain in the United States.

II

The United States will operate and maintain the dam, reservoir, pressure tunnels, penstocks to but not inclusive of the shut-off valves at the inlets to the turbine casings, and outlet works, and will have full control of all water passing the dam for any and all purposes. The dam and reservoir will be operated and used: First, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of present

perfected rights in pursuance of Article VIII of the Colorado River Compact, and, third, for power.

III

The United States will lease to the City of Los Angeles, referred to herein as the City, for fifty (50) years from the date at which energy is ready for delivery to the City, as announced by the Secretary, such power plant units and corresponding plant facilities and incidental structures as may be necessary to generate the energy allocated to it and energy for those allottees for whom the City is herein designated the generating agency, together with the right to generate such electrical energy.

The United States will lease to Southern California Edison Company, Ltd., referred to herein as the Company, such power plant units and corresponding plant facilities and incidental structures as may be necessary to generate the energy allocated to it and energy for those allottees for whom the Company is herein designated the generating agency, together with the right to generate such electrical energy, for a period beginning with the date at which the first of such power plant units is ready for operation and water is available therefor as announced by the Secretary, and ending at a time fifty (50) years from the date at which energy is ready for delivery to the City.

The machinery and equipment under lease to either lessee shall be operated and maintained by such lessee without interference from or control by the other lessee, but subject nevertheless to the supervisory authority of the Secretary or his representative, under the terms of the lease.

Subject to conditions hereinafter stated, the designation of generating agencies shall be as follows:

Generation of energy allocated to and used by the States of Nevada and Arizona shall be effected by the City.

Generation of energy allocated to Municipalities, shall be effected by the City.

Generation of energy allocated to the District shall be effected by the City.

Generation of energy allocated to the Companies shall be effected by Southern California Edison Company, Ltd.

The lessees and allottees may make other arrangements for generation, subject to the approval of the Secretary.

Disputes and disagreements between any allottee and the lessee generating energy for it, with respct to such generation, and/or the cost thereof, shall be determined by the Secretary unless otherwise specifically provided by contracts thereof with the Secretary.

All generation shall be effected at cost, except as provided in contracts with the United States.

IV

The respective portions of the power plant and appurtenant structures shall be operated and maintained by the City and the Company, severally, under the

supervision of a Director appointed by the Secretary. The City and the Company shall each be responsible for the operation and maintenance of that part of the power plant operated by it and shall bear the cost thereof. The United States will pay each lessee in the form of credits upon the account of such lessee for amounts due the United States under its contract, the cost incurred by it in generating energy for other allottees for whom it is the designated generating agency, and will require such other allottees to repay such cost to the United States. Except as to off-peak power the term "cost" as used with reference to generating energy for other allottees, shall include a proper proportionate allowance for amortization of the amounts for which the respective lessees are obligated to the United States on account of use of machinery and equipment and interest on the respective lessees' prepayments thereof; a proper proportionate part of any annuity set up in accordance with regulations of the Secretary, and any additional expenditures made by the respective lessees with the approval of the Secretary for the purpose of meeting the obligation of the lessees to make replacements; and a proper proportionate part of the actual outlay of the lessees for operating such machinery and equipment and keeping the same in repair, including reasonable overhead charges. The extent of the allowance for the several items and the system of accounting therefor, shall be prescribed by the Secretary under uniform regulations to be promulgated by him in accordance with the Boulder Canyon Project Act. The United States will compensate each lessee for the generation by it of any secondary energy not taken by the District or the lessees in accordance with article V hereof but disposed of by the United States, such compensation to cover the pro rata cost thereof as defined in this article (in proportion to the total kilowatt-hours generated in that month by each lessee), during the time said secondary energy was generated. Such secondary energy will be disposed of by the United States subject only to the prior right thereto of the District and/or the lessees.

The Director, among other powers, shall have authority to enforce rules and regulations promulgated by the Secretary in accordance with the Boulder Canyon Project Act, respecting operation and maintenance of the power plant and appurtenant works and structures.

Prior to the promulgation of any additional regulations, or the change or modification of regulations, the Secretary shall give any lessee and any allottee affected thereby, an opportunity to be heard.

V

The following allocation of energy is made: (the percentages stated being percentages of the total firm energy available) subject, however, to the conditions hereinafter stated:

Of Firm Energy

A. To the State of Nevada, for use in Nevada, not exceeding eighteen per centum (18%) of said total firm energy.

B. To the State of Arizona, for use in Arizona, not exceeding eighteen per centum (18%) of said total firm energy.

Should either of the States not take its full eighteen per centum (18%) allocation within a period of twenty (20) years hereof, the other may then contract for the energy not so taken up to four per centum (4%) of the total firm energy, provided that the combined amount used by the two states shall not, at any time, exceed thirty-six per centum (36%) of such total firm energy.

C. To the Metropolitan Water District of Southern California (hereinafter referred to as the District) so much energy as may be needed and used for pumping Colorado River Water into and in its Aqueduct for the use of such District within the following limits:

(1) Not exceeding thirty-six per centum (36%) of said total firm energy; plus

(2) All secondary energy developed at the Boulder Dam power plant as provided in these regulations; plus

(3) So much of the firm energy allocated to the States, the City and the Company as may not be in use by them. Energy allocated to the States but not in use by them shall be released to the District by the two lessees equally (unless they agree upon a different ratio) as follows:

(a) If the District makes a firm contract with the Secretary for the balance of the lease period for part or all of such unused States energy (subject to the first right of the States thereto) such contract shall be made effective upon two years' written notice to the Secretary, and compensation to the lessees, respectively, for main transmission line property rendered idle;

(b) If the District does not so make a firm contract for such energy, then energy allocated to the States but not in use by them, shall be released to the District upon not less than fifteen (15) months' written notice to the Secretary and at such compensation as the District and such lessees, respectively, may agree upon, to cover cost and overhead of replacing energy which otherwise would have been received at the Pacific Coast end of the main transmission lines by the lessees, respectively. Such cost shall include interest on and depreciation and operation and maintenance of the plant capacity while required for the generation of such substitute energy; and also appropriate allowance for interest on and maintenance and depreciation of plant capacity rendered idle because of cessation of generation of such substitute energy until such time as such plant capacity would otherwise have been installed by the lessees, respectively, for their own requirements. If the District and the respective lessees fail to agree on such compensation, such energy shall nevertheless be released to the District, and the disagreement shall be determined by arbitration or as may be provided in the respective contracts of the parties with the Secretary. Such determination shall include allowance for items of cost and overhead as specified in this paragraph. Pending such determination, energy so released shall be paid for by the Disrtict at the rate for firm energy but the determination of compensation shall not be controlled by such rate. During any year beginning June first, the District shall not use any secondary energy nor any unused State energy, until it has first used subsequent to June first, next preceding, an amount of firm energy equivalent to one-twelfth of the amount of firm energy it is obligated to take and/or pay for annually multiplied by the number of months elapsed since June first next preceding.

(4) If, due to temporary deficiency in secondary energy regularly used by the District substitute energy is requested by the District in excess of the energy made available under the foregoing sub-paragraph (3) (b) the City and/or the

Company may release so much energy as may be practicable on the same terms as provided in sub-section (3) (b) preceding.

D. To the municipalities of

	Percent
Pasadena	1.6183
Glendale	1.8867
Burbank	.5896
Total	4.0946

(NOTE—Amendments of March 10, 1931 and July 1, 1931, extended the date for submission of an allocation to July 15 and November 16, 1931, respectively. An agreement having been submitted to the Secretary whereby only the above municipalities elected to contract, in the amounts above stated, and the other municipalities named in regulations of April 25, 1930, i.e., Anaheim, Beverly Hills, Colton, Fullerton, Newport Beach, Riverside, San Bernardino and Santa Ana, withdrew, the allocation under subsection D is amended as above, effective November 16, 1931.)

E. To the City of Los Angeles, 14.9054% (being 13% as provided in regulations of April 25, 1930, plus 1.9054%, which is the balance of 6% allocated the municipalities by regulations of said date and not applied for by them pursuant to subsection D as amended).

(NOTE—Amended as above, effective November 16, 1931. See note under subsection D.)

F. To

	Percent
Southern California Edison Co. Ltd.	7.2
Southern Sierras Power Co.	.9
Los Angeles Gas & Electric Corp.	.9

(NOTE—Amended as above, effective November 16, 1931, to accord with allocation agreement submitted pursuant to subsection F as promulgated in regulations of April 25, 1930, time having been extended to July 15, 1931 by amendment of March 10, 1931, and to November 16, 1931 by amendment of July 1, 1931.)

The foregoing allocations are subject to the following conditions:

(i) So much of the energy allocated to the States (thirty-six per centum (36%) of firm energy) and not in use by them, or, failing their use, by the District for the above purposes, shall be taken and paid for one-half by the City and one-half by the following allottees in the ratio stated below:

	Percent
Southern California Edison Co. Ltd	80
Los Angeles Gas and Electric Corp.	10
Southern Sierras Power Co.	10

(NOTE.—Amended as above, effective November 16, 1931, to accord with an allocation agreement submitted in accordance with subsection F as promulgated in regulations of April 25, 1930, time having been extended to July 15, 1931 by amendment of March 10, 1931, and to November 16, 1931 by amendment of July 1, 1931.)

(ii) So much of the energy allocated to the municipalities by regulations of April 25, 1930 (6%) as has been relinquished by them (1.9054%), and so much of the energy contracted for by them (4.0946%), as is not used by them directly or under contract for municipal purposes and/or distribution to their inhabitants, shall be

taken and paid for by the City (without, however, impairing the obligation of said municipalities to the United States to take and pay for energy contracted for by them, respectively).

(NOTE.—Amended as above, effective November 16, 1931, to accord with an allocation agreement and elections thereunder submitted in accordance with subsection D. See note under subsection D.)

(iii) So much of the energy allocated to the Southern Sierras Power Company, the San Diego Consolidated Gas and Electric Company, and the Los Angeles Gas and Electric Corporation by regulations of April 25, 1930, as has not been or is not contracted for by them shall be taken and paid for by the Southern California Edison Company, Ltd.

(NOTE—Amended as above, effective November 16, 1931.)

(iv) If any allottee is permitted by the United States to divert water from the reservoir at a time when the reservoir is not spilling, in consequence of which the amount of energy which would have been utilized is diminished, such diminution, to such extent as may be provided in the contract, shall be debited to the allocation of firm energy herein made to such allottee; and charge for the energy equivalent of such diversion shall be made, and the amount of energy which the allottee shall otherwise be obligated to take and pay for hereunder shall be correspondingly reduced.

The reservoir shall be considered as spilling whenever water is being discharged in excess of the amount used for the generation of power, whether such waste occurs over the spillway or otherwise.

(v) Each of the States of Arizona and Nevada may, from time to time within the period of the aforesaid lease, contract for energy for use within such State in any amount until the total allocated, respectively, to each is in use as provided above; and may terminate such contract, or contracts, without prejudice to the right to again contract for such energy. All such contracts shall be executed with the Secretary. A contract requiring one thousand (1,000) horsepower (of maximum demand) or less may become effective or be terminated on six months' written notice of requirement or termination given the Director by the State; provided, that the notice given shall be two years if in the twelve months preceding said notice of demand the total increment to such State has exceeded five thousand (5,000) horsepower of maximum demand or if in the twelve months preceding said notice of termination the decrement to such State has exceeded five thousand (5,000) horsepower of maximum demand. In all cases the Director shall immediately transmit such notice to each lessee. Whenever the amount in use is in excess of five thousand (5,000) horsepower of maximum demand, the lessees and other allottees respectively shall be compensated for property rendered idle by use of such excess in such amount as the Secretary shall determine to be equitable.

Firm energy not contracted for by the States shall be available for use by the District as herein elsewhere provided, and if not in use by the States and/or the District, shall be taken and paid for one-half by the City and one-half as follows: By the Southern California Edison Company, Ltd., 80% of said one-half; by the Southern Sierras Power Co., 10% of said one-half; and by the Los Angeles Gas and Electric Corporation, 10% of said one-half.

(NOTE.—Amended as above, effective November 16, 1931, to accord with an allocation agreement submitted pursuant to sub-section F; see note thereunder. Also, regulations of April 25, 1930, provided for contingencies in event a State should make a firm contract under section 5c of the Boulder Canyon Project Act in lieu of accepting the allocation therein made. As the time for execution of such a

firm contract under section 5c of that act has expired by the limitation stated in the act the balance of this paragraph as originally promulgated is revoked, effective November 16, 1931.)

Of Secondary Energy

The District shall have the right to purchase and use all secondary energy as provided in these regulations for the purposes stated in the first paragraph of subdivision C of this article. The City shall have the right to purchase and use one-half, and the allottees named in subsection F shall have the right to purchase and use a total of one-half (in the proportions in which they share the obligations assumed under subsection "v" as to unused State allocations) of such secondary energy as is not used by the District. Any such energy not used by one lessee shall be available, for the time being, to the other. To the extent that secondary energy is not taken as aforesaid, then and in such event, the United States reserves the right to take, use and dispose of such energy, from time to time, as it sees fit, giving credit therefor as provided in these regulations.

(NOTE.—Modified as above, effective November 16, 1931, an allocation agreement having been submitted by the allottees named in subsection F whereby the obligation of the Southern California Edison Co., Ltd., under subsection "v", and its conditional rights to secondary energy under this paragraph, were both shared in the same ratio as the allocation of firm energy among them under subsection F. See note under subsections F and "v.")

Of Firm Energy Allocated to but Not Used by the District

In the event the District shall fail for any reason to use all or any of the firm energy herein allotted to it for the only purpose for which said firm energy is allotted to it, that is, for pumping water into and in its aqueduct, then no disposition shall be made of such firm energy by the Secretary without first giving to a successor to the District which may undertake to build or maintain a Colorado River Aqueduct the oportunity to take said firm energy for the same purpose and under the same terms as those to which the District was obligated.

In the event no such successor takes said firm energy as provided above, then no disposition of such firm energy shall be made by the Secretary without first giving to each lessee the opportunity to contract on equal terms and conditions, to be prescribed by the Secretary, for one-half of such energy, together with such portion of the remainder as the other lessee shall not elect to take.

Of Firm Energy not Disposed of In the Foregoing Allocations

In case the dam which the United States erects provides a maximum water surface elevation in excess of one thousand two hundred twenty-two (1,222) feet above sea level (United States Geological Survey datum), and thereby increases the quantity of firm energy above the quantity of four billion two hundred forty million (4,240,000,000) kilowatt-hours allocated above, said addi-

tional firm energy shall be generated, taken and paid for by the City on the same terms and conditions as other firm energy under its contract, but without prejudice to the foregoing allocations or to the contractual rights of other allottees.

(NOTE.—Regulations promulgated April 25, 1930, reserved to the Secretary the right to contract with any municipality for this additional energy on or before April 15, 1931, and provided that energy not so contracted for should be taken and paid for by the City. This time was extended to July 15, 1931 by amendment of March 10, 1931, and to November 16, 1931 by amendment of July 1, 1931. No such contract having been applied for, this subsection is amended as above, effective November 16, 1931.)

VI

Contractors hereunder shall agree as follows:

(1) To pay the United States for the use of falling water for the generation of energy for their own use, respectively, by the equipment leased hereunder, as follows:

(a) One and sixty-three hundredths mills ($0.00163) per kilowatt-hour (delivered at transmission voltage), for firm energy;

(b) One half mill ($0.0005) per kilowatt-hour (delivered at transmission voltage), for secondary energy.

(2) The lessees of the power plant shall compensate the United States for the use of leased equipment as herein elsewhere provided;

(3) The lessees shall also maintain said equipment in first-class operating condition, including repairs to and replacements of machinery;

(4) Allottees other than the lessees shall pay the United States, for credit to the lessees, on account of use of the leased equipment;

(5) Allottees other than the lessees shall pay the United States, for credit to the lessees, on account of maintenance of said equipment, including repairs to and replacements of machinery, provided, however, that, if the expenditures for replacements shall exceed at any time the sum accumulated by the lessees as a depreciation reserve in accordance with rules and regulations prescribed by the Secretary, pursuant to the Boulder Canyon Project Act, less all amounts previously withdrawn for replacements, then the rates aforesaid shall be readjusted as hereinafter provided so as to reimburse the said lessees severally for such excess expenditures within the term of said lease.

All energy shall be measured at generator voltage and suitable metering equipment shall be provided and installed by the United States for this purpose. Suitable correction shall be made in the amounts of energy as measured at generator voltage to cover step-up transformer losses and energy required for operation of station auxiliaries, in determining the amounts of energy delivered at transmission voltage as provided in these regulations.

At the end of fifteen (15) years from the date of execution of lease and every ten (10) years thereafter, the above rate of payment for firm and secondary energy shall be readjusted upon demand of any party thereto, either upward or downward as to price, as the Secretary may find to be justified by competitive conditions at distributing points or competitive centers.

The rate for falling water for generation of firm energy, which shall be uniform for all lessees, provided for by any such readjustment shall be arrived at by deducting from the price of electrical energy justified by competitive conditions at distributing points or competitive centers—(1) all fixed and operating costs as provided for herein of transmission to such points—(2) all fixed and operating costs of such portion of the power plant machinery as is to be operated and maintained by the several lessees, including the costs of repairs and replacements, together with readjustment as to replacements as is provided for in paragraph five (5) above; it being understood that such readjusted rates shall under no circumstances exceed the value of said energy, based upon competitive conditions at distributing points or competitive centers.

If the lessees or either of them shall not obtain a renewal of said lease at the expiration of the contract period, equitable adjustment for major replacements of machinery made between the date of the last readjustment of rates and the end of the contract period shall be made at the expiration of the lease.

VII

The amount of firm energy for the first year of operation (June 1 to May 31, inclusive), following the date of the completion of the dam as announced by the Secretary shall be defined as being four billion two hundred forty million (4,240,000,000) kilowatt-hours. For every subsequent year the amount defined as firm energy shall be decreased by eight million seven hundred sixty thousand (8,760,000) kilowatt-hours from that of the previous year.

Nevertheless, if it be determined by the Secretary that the rate of decrease of kilowatt-hours per year as above stated, is not in accord with actual conditions, the Secretary reserves the right to fix a lesser rate for any year (June 1 to May 31, inclusive) in advance.

If the dam erected by the United States provides a maximum water surface elevation in excess of 1,222 feet above sea level (U. S. Geological Survey datum), the United States reserves the right to dispose of additional firm energy thereby made available, not to exceed ninety million (90,000,000) kilowatt-hours per year, subject to pro rata of the eight milloin seven hundred sixty thousand (8,760,000) kilowatt-hours annual diminution above provided for.

The term "secondary energy" wherever used herein shall mean all electrical energy generated in one year (June 1 to May 31, inclusive) in excess of the amount of firm energy as hereinabove defined, available in such year.

VIII

The contractors shall pay monthly for all energy in accordance with the rates established or provided for herein. When energy taken in any month is not in excess of one-twelfth (1/12) of the minimum annual obligation, bill for such month shall be computed at the rate for firm energy in effect

when such energy was taken on the basis of the actual amount of energy used during such month. All energy used during any month in excess of one-twelfth (1/12) of the minimum annual obligation shall be paid for at the rate for secondary energy in effect when such energy was taken; provided, however, that the secondary rate shall not apply to any energy taken during any month unless and until an amount of energy equivalent to one-twelfth (1/12) of the minimum annual obligation has been taken for all months beginning with the month of June immediately preceding; provided, however, that the bill for the month of May shall not be less than the difference between the minimum annual payment, and the sum of the amounts charged for firm energy during the preceding eleven (11 months). The United States will submit bills to all contractors by the fifth of each month immediately following the month during which the energy is generated, and payments shall be due on the first day of the month immediately succeeding. If such charges (less, in bills to lessees, credit allowances due lessees for generation for other allottees) are not paid when due, a penalty of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional penalty of one per centum (1%) of the amount unpaid shall be added on the first day of each calendar month thereafter during such delinquency.

IX

The total payments made by each contractor for firm energy available in any year (June 1 to May 31, inclusive), whether any energy is generated or not, exclusive of its payments for use of machinery, shall be not less than the number of kilowatt-hours of firm energy available to said contractor and which said contractor is obligated to take and/or pay for during said year, multiplied by one and sixty-three hundredths mills ($0.00163), or multiplied by the adjusted rate of payment for firm energy in case the said rate is adjusted as provided in Article VI hereof, less credits on account of charges to other allottees, as provided for and referred to in Article IV hereof. For a fractional year at the beginning or end of the contract period, the minimum annual payment for firm energy shall be proportionately adjusted in the ratio that the number of days water is available for generation of energy in such fractional year bears to three hundred sixty-five (365). Provided, however, that in order to afford a reasonable time for the respective lessees to absorb the energy contracted for, the minimum annual payments by each for the first three (3) years after energy is ready for delivery to such lessees, respectively, as announced by the Secretary, shall be as follows, in percentages of the ultimate annual obligation, to take and/or pay for firm energy:

	Percent
First year	55
Second year	70
Third year	85
Fourth year and all subsequent years	100

During said absorption period, if the quantity of energy taken in any one year (June 1 to May 31, inclusive) is in excess of the above percentages of the ultimate obligation during such year to take and/or pay for firm energy, such excess shall be paid for at the rate for secondary energy. Provided, further, that the minimum annual payment shall be reduced in case of interruptions or curtailment of delivery of water as provided in paragraph X hereof.

X

The United States will deliver water continuously to each lessee in the quantity, in the manner, and at the times necessary for the generation of the energy which each of said lessees has the right and/or obligation to generate under its contract in accordance with the load requirements of each of said lessees and of allottees for which the respective lessees are generating agencies, excepting only that such delivery shall be regulated so as not to interfere with the necessary use of said Boulder Canyon Dam and Reservoir for river regulation, improvement of navigation, flood control, irrigation, or domestic uses, and the satisfaction of present perfected rights in or to the waters of the Colorado River, or its tributaries, in pursuance of Article VIII of the Colorado River Compact. The United States reserves the right temporarily to discontinue or reduce the delivery of water for the generation of enregy at any time for the purpose of maintenance, repairs and/or replacements, or installation of equipment, and for investigations and inspections necessary thereto; provided, however, that the United States shall, except in case of emergency, give to the lessees reasonable notice in advance of such temporary discontinuance or reduction, and that the United States shall make such inspections and perform such maintenance and repair work after consultation with the lessees at such times and in such manner as will cause the least inconvenience to the lessees and the allottees, and shall prosecute such work with diligence, and, without unnecessary delay, will resume delivery of water so discontinued or reduced. Should the delivery of water be discontinued or reduced below the amount required, severally, for the normal generation of firm energy for the payment of which the contractor obligates itself, the total number of hours of such discontinuance or reduction in any year shall be determined by taking the sum of the number of hours during which the delivery of water is totally discontinued, and the product of the number of hours during which the delivery of water is partially reduced and the percentage of said partial reduction below the actual quantity of water required for the normal generation of firm energy. Total or partial reductions in delivery of water which do not reduce the power output below the amount required at the time for the normal generation of firm energy, will not be considered in determining the total hours of discontinuance in any year. The minimum annual payment shall be reduced by the ratio that the total number of hours of such discontinuance bears to eight thousand seven hundred sixty (8,760). In no event shall any

liability accrue against the United States, its officers, agents and/or employees, for any damage, direct or indirect, arising on account of drought, hostile diversion, act of God, or of the public enemy, or other similar cause.

Each lessee shall make full and complete written monthly reports as directed by the Secretary, on forms to be supplied by the United States, of all electrical energy generated by it, and the disposition thereof to allottees. Such reports shall be made and delivered to the Director on the third day of the month immediately succeeding the month in which the electrical energy is generated, and the records and data from which such reports are made be accessible to the United States on demand of the Secretary.

XI

Any agency receiving a contract for electrical energy equivalent to one hundred thousand (100,000) firm horsepower, or more, may when deemed feasible by the Secretary, from engineering and economic consideration and under general regulations prescribed by him, be required to permit any other agency having contracts for less than the equivalent of twenty-five thousand (25,000) firm horsepower, upon application to the Secretary made within sixty (60) days from the execution of the contract of the agency the use of whose transmission line is applied for, to participate in the benefits and use of any main transmission line constructed or to be constructed by the former for carrying such energy (not exceeding, however, one-fourth (¼) the capacity of such line), upon payment by such other agencies of a reasonable share of the cost of construction, operation and maintenance thereof.

XII

The use is authorized of such public and reserved lands of the United States as may be necessary or convenient for the construction, operation and maintenance of main transmission lines, to transmit electrical energy generated at Hoover Dam, together with the use of such public and reserved lands of the United States as may be designated by the Secretary, from time to time, for camp sites, residences for employees, warehouses and other uses incident to the operation and maintenance of the power plant and incidental works.

XIII

The Secretary, or his representatives, shall at all times have the right of ingress to and egress from all works of the contractors for power or power privileges, for the purpose of inspection, repairs and maintenance of works of the United States, and for all other proper purposes. The Secretary or his representatives shall also have free access at all reasonable times to the books and records of contractors for power or power privileges, relating to the generation, transmission, and disposition of electrical energy with the right at any time during office hours to make copies of or from the same.

XIV

All patents, grants, contracts, concessions, leases, permits, licenses, rights of way, or other privileges from the United States or under its authority, necessary or convenient for the use of waters of the Colorado River or its tributaries, or for the generation or transmission of electrical energy generated by means of the waters of said river or its tributaries, whether under the Boulder Dam Project Act, the Federal Water Power Act, or otherwise, shall be upon the express condition and with the express covenant that the rights of the recipients or holders thereof to waters of the river or its tributaries, for the use of which the same are necessary, convenient, or incidental, and the use of the same shall likewise be subject to and controlled by said Colorado River Compact.

XV

All contracts for purchase of energy available at Hoover Dam shall be made directly with the United States.

XVI

No contract for electrical energy or for generation of electrical energy shall be of longer duration than fifty (50) years from the date at which such energy is ready for delivery as announced by the Secretary.

XVII

The holder of any contract for electrical energy not in default thereunder shall be entitled to a renewal thereof upon such terms and conditions as may be authorized or required under the then existing laws and regulation, unless the property of such holder dependent for its usefulness on a continuation of the contract be purchased or acquired and such holder be compensated for damages to its property, used and useful in the transmission and distribution of such electrical energy and not taken, resulting from the termination of the supply.

XVIII

All contracts shall be subject to these, and such other rules and regulations conforming to the Boulder Canyon Project Act as the Secretary may from time to time promulgate; provided, however, that no right under any contract then existing shall be impaired or obligation thereunder be extended thereby; and provided further that opportunity for hearing shall be afforded such contractors by the Secretary prior to modification or repeal thereof or promulgation of additional regulations.

Washington, D. C., April 25, 1930; March 10, 1931; July 1, 1931; November 16, 1931.

RAY LYMAN WILBUR,
Secretary of the Interior.

833942—50—72

[ITEM 97]

BOULDER CANYON PROJECT

GENERAL REGULATIONS FOR GENERATION AND SALE OF POWER IN ACCORDANCE WITH THE BOULDER CANYON PROJECT ADJUSTMENT ACT

APPROVED AND PROMULGATED MAY 20, 1941

THE SECRETARY OF THE INTERIOR

WASHINGTON, MAY 20, 1941.

MR. R. V. L. WRIGHT,
Washington, D. C.

MY DEAR MR. WRIGHT: Following your recommendation of May 20 I have approved and promulgated the attached "General Regulations for Generation and Sale of Power in accordance with Boulder Canyon Project Adjustment Act".

Please transmit copies of the regulations to the interested parties and proceed with the drafting of amendatory energy contracts in accordance with these regulations.

Sincerely yours,

(Signed) HAROLD L. ICKES,
Secretary of the Interior.

GENERAL REGULATIONS FOR GENERATION AND SALE OF POWER IN ACCORDANCE WITH THE BOULDER CANYON PROJECT ADJUSTMENT ACT

PREAMBLE

Under the Act of July 19, 1940 (54 Stat. 774), designated as "Boulder Canyon Project Adjustment Act," the Secretary of the Interior is authorized and directed to promulgate charges, or the basis of computation thereof, for electrical energy generated at Boulder Dam during the period beginning June 1, 1937 and ending May 31, 1987, and is also authorized from time to time to promulgate such regulations as he may find necessary or appropriate for carrying out the purposes of the Act.

In pursuance of such authority the Secretary of the Interior approved and promulgated these regulations on May 20, 1941.

1. DEFINITIONS

The following terms wherever used herein shall have the following respective meanings:

"Adjustment Act" shall mean the Boulder Canyon Project Adjustment Act approved July 19, 1940 (54 Stat. 774).

"Project Act," "Project," "Secretary," Firm energy," "Allottees," "Replacements" and "Year of Operation" shall have the respective meanings defined in Section 12 of the Adjustment Act.

"Dam and appurtenant works" shall mean the project as so defined, exclusive of the generating machinery and equipment.

"Power plant building" shall mean the power plant building consisting of the Nevada wing, the central portion and the Arizona wing.

"Generating machinery and equipment" shall mean the machinery and eqiupment operated by the United States through the Agents for or in connection with the development of energy and in addition such common facilities in the power plant building as are operated directly by the United States.

"Main contract" shall mean a contract between the United States and any allottee for electrical energy taken in accordance with the allocation of such allottee.

"Common facilities" shall mean those portions of generating machinery and equipment, including station service generating facilities, provided for the joint use of the operating agents and/or the operating agents and the United States.

"Operating agents" shall mean the agents of the United States operating any part of the generating machinery and equipment under a contract executed under the provisions of Section 9 of the Adjustment Act.

"Interest" shall mean interest computed at the rate of three per cent (3%) per annum compounded annually.

"Maximum demand" when used with reference to the kilowatt or horsepower demand of any contractor shall mean the average kilowatt or horsepower demand during that 30-minute interval for which the average demand is greatest during the calendar month, measured at or corrected to transmission voltage at Boulder Power Plant.

2. OPERATION AND MAINTENANCE OF PROJECT

The dam and appurtenant works will be operated and maintained directly by the United States. The generating machinery and equipment will be operated and maintained by the United States directly or through The City of Los Angeles and its Department of Water and Power (the term "City" as used in these Regulations being deemed to be both The City of Los Angeles and its Department of Water and Power) and Southern California Edison Company Ltd. (hereinafter called the Company), as operating agents, in accordance with the provisions of an agency contract between the United States and such operating agents, entered into pursuant to the Adjustment Act. Additional generating machinery and equipment will be installed as provided in such agency contract.

3. FIRM AND SECONDARY ENERGY DEFINED

The amount of firm energy for the first year of operation (June 1, 1937 to May 31, 1938, inclusive) is defined as four billion three hundred thirty million (4, 330,000,000) kilowatt-hours delivered at transmission voltage. For every subsequent year the amount defined as firm energy will be decreased by eight million seven hundred sixty thousand (8,760,000) kilowatt-hours from that of the previous year.

The term "secondary energy" wherever used herein means all electrical energy available in any year of operation in excess of the amount of firm energy as hereinabove defined. For the purpose of computation of energy rates, it is assumed that 40,000,000,000 kilowatt-hours of secondary energy will be available in the 50-year period ending May 31, 1987.

4. ALLOCATION OF ENERGY

(a) *Firm energy*

Firm energy shall be allocated as follows:

Allottee	Percentage	Use by allottee restricted to following
State of Nevada	17.6259	In Nevada only.
State of Arizona	17.6259	In Arizona only.
Metropolitan Water District of Southern California (hereinafter called the District).	35.2517	Pumping Colorado River water into and in its aqueduct.
City of Burbank	.5773	
City of Glendale	1.8475	
City of Pasadena (the three last above-named cities are hereinafter called the "municipalities").	1.5847	
City of Los Angeles	17.5554	
Southern California Edison Company Ltd.	7.0503	
The Nevada-California Electric Corp.	.8813	
	100.0000	

The United States reserves such electrical energy as may be desired by it at a maximum demand not to exceed 20,000 kilowatts. Beginning on June 1, 1941 the energy actually taken by the United States under this reservation shall be deducted equally out of the respective allocations of the City and the Company. Such energy shall be delivered to the United States at the Power Plant, and shall be measured at the point of delivery by meters furnished and installed by the United States. Credicts to the City and Company for such energy will be given on monthly bills. The United States will use such energy only for its own use or for resale in construction or operating camps maintained by the United States, or for any purpose in the area bounded by the east line of Range 66 East, the south line of Township 20 South, the east line of Range 62 East, the south line of Township 23 South, M.D.M., Nevada; and the south line of Township 29 North and the east line of Range 21 West, G. & S.R.M., Arizona. The energy used by the United States for the construction and operation and maintenance of the dam and appurtenant works, exclusive of Boulder City, will not be included in the foregoing energy but shall be furnished from the station service system without charge and shall be classed as station losses and not considered in the amounts of firm or secondary energy in the promulgating of rates and charges.

(b) *Procedure respecting States' allocations*

Should either of the States not take its full allocation prior to April 26, 1950, the other may then contract and give notice of withdrawal of the energy not so taken up to 3.9169 per centum of the total firm energy, provided that the combined amount used by the two States shall not, at any time, exceed 35.2518 per centum of such total firm energy.

The District shall have the right to use for pumping Colorado River water into and in its aqueduct, so much of the firm energy allocated to the States, the City, the Company, and The Nevada-California Electric Corporation as may not be in use by them. So much of the energy allocated to the States not contracted for by them and not in use by them or the District, shall be taken and paid for, fifty-five percent (55%) by the City, forty per cent (40%) by the Company and five percent (5%) by The Nevada-California Electric Corporation. Such energy shall be released to the District by the City, Company, and The Nevada-California Electric Corporation, respectively, in the ratio of the above stated percentages (unless they agree upon different ratios, subject to the following provisions:

(i) If the District shall make a firm contract with the United States for the then remaining balance of the period ending May 31, 1987, for part or all of such unused States' energy (subject to the first right of the States thereto) such contract shall be made effective upon two years' written notice to the Secretary, and compensation to the allottees affected for main transmission line property rendered idle;

(ii) If the District does not so make a firm contract for such energy, then energy allocated to the States but not in use by them, shall be released to the District upon not less than fifteen (15) months' written notice to the Secretary and at such compensation as the District and the allottees affected may agree upon, to cover cost and overhead of replacing energy which otherwise would have been received at the Pacific Coast end of the main transmission lines by the allottees affected. Such cost shall include interest (at the rate of cost of money to the allottee affected) on investment in, and depreciation and operation and maintenance of, the plant capacity while required for the generation of such substitute energy; and also appropriate allowance for similar interest on and maintenance and depreciation of plant capacity rendered idle because of cessation of generation of such substitute energy until such time as such plant capacity would otherwise have been installed by the allottees affected for their own requirements. If the District and the allottees affected fail to agree on the amount of such compensation, such energy shall nevertheless be released to the District, and the disagreement shall be determined by arbitration. Pending such determination, energy so released shall be paid for by the District at the rate for firm energy but the determination of compensation by arbitration shall not be controlled by such rate.

(iii) If, due to temporary deficiency in secondary energy regularly used by the District, substitute energy is requested by the District in excess of the energy made available under the foregoing subparagraph (ii) the City, the Company, and/or The Nevada-California Electric Corporation may release so much energy as may be practicable on the same terms as provided in such subparagraph.

(iv) In the event the District shall fail for any reason to use all or any of the firm energy herein allotted to it, then the Secretary shall dispose of such unused energy until required by the District, crediting on the District's obligation the proceeds of such disposition as received; provided, however, that no disposition of such firm energy shall be made by the Secretary without first giving to the City, the Company and The Nevada-California Electric Corporation the opportunity to contract on equal terms and conditions, to be prescribed by the Secretary, for such energy, in the same proportion, and subject to the same rights with respect to proportions thereof not taken by others, as in the case of secondary energy. The rights of the City, the Com-

pany and The Nevada-California Electric Corporation so to contract shall be deemed to have been waived unless, within 30 days after offer by the Secretary of such opportunity, such offer is accepted.

Except as hereinabove provided in this article, each of the States of Arizona and Nevada may at any time prior to May 31, 1987, enter into a contract or contracts with the United States which shall entitle it to all or any part of the energy allocated to it for use within such State. Such contract or contracts shall continue in force until May 31, 1987, but shall obligate the United States to deliver energy, and the State to take and/or pay for the same, only in accordance with notices of withdrawal of energy and notices of relinquishment of energy given as hereinafter provided. The quantities of electrical energy specified in contracts entered into by the State of Nevada prior to the promulgation of these Regulations shall be deemed to have been taken pursuant to notices of withdrawal duly given, the effective dates of which were the dates of such contracts respectively.

After execution of any such contract, if the State shall desire to take energy thereunder, it may, at any time or times prior to May 31, 1987, file with the Secretary and the allottees involved notices of withdrawal of energy in form to be prescribed by the Secretary, each of which notices shall state (1) the quantity of energy to be taken annually thereunder, in kilowatt hours, (2) the maximum demand in horsepower to be required, and (3) an effective date, not earlier than the expiration of a period conforming to the following schedule, to run from the date when such notice from the State has been received by both the Secretary and all the allottees involved:

SCHEDULE OF NOTICES OF WITHDRAWAL OF ENERGY

A notice which together with all prior notices given by the same State within 12 consecutive months—		Period of notice
Exceeds in maximum demand	And does not exceed in maximum demand	
Horsepower	*Horsepower*	*Months*
0	5,000	6
5,000	12,500	12
12,500	20,000	18
20,000	40,000	24
40,000		36

Provided, that any such notice may, within thirty days after receipt thereof by the Secretary and at the option of the United States, be declared to be of no force or effect if at the time it is given the State is in default under its contract or contracts for energy. If after giving a notice of withdrawal of energy, the State shall desire delivery of such energy or any part thereof under said notice in advance of, or later than, the expiration of the period of notice

hereinabove required, the required period may be adjusted, with the written consent of the allottees affected, filed with the Director. All energy taken by the State shall first be released by the City, the Company, and The Nevada-California Electric Corporation severally in the proportion of their respective obligations with reference thereto. In the event that energy required by the State shall be in quantity exceeding that which the above allottees are obligated so to release, such excess, to the extent that energy allocated to the State may be in use by the District, shall be released by the District. Energy may be released temporarily or permanently in different proportions pursuant to agreement between the State and the allottees involved, which energy upon relinquishment shall revert to the allottees in the proportion in which it was released.

Except as hereinafter otherwise provided, the obligation of the State to take and/or pay for energy, may be terminated in whole or in part upon the effective date of a "notice of relinquishment", given as hereinafter provided, and the obligation of the various allottees to take and/or pay for the same, shall in such case be reinstated as of such effective date. Each notice of relinquishment shall be filed with the Secretary and the allottees involved in form to be prescribed by the Secretary, in accordance with the following schedule, and shall state (1) the notice or notices of withdrawal whereunder the State became obligated with respect to the energy it proposes to relinquish, and shall be given only after the effective date or dates of the notice or notices of withdrawal to which it relates; (2) the quantity of energy annually in kilowatt hours relinquished; (3) the maximum demand in horsepower relinquished, and (4) an effective date, not earlier than the expiration of a period conforming to such schedule to run from the date when such notice from the State has been received by both the Secretary and all the allottees involved:

SCHEDULE OF NOTICES OF RELINQUISHMENT

A notice of *relinquishment* which together with all prior notices of *relinquishment* given by the same State within 12 consecutive months—		Period of notice
Exceeds in maximum demand	And does not exceed in maximum demand	
Horsepower	*Horsepower*	*Months*
0	5,000	6
5,000	12,500	12
12,500	20,000	18
20,000	40,000	24
40,000		36

After a State gives a notice of relinquishment of energy, the effective date thereof may be advanced or delayed at the request of the State, with the written consent of the allottees involved.

Relinquishment of energy shall be without prejudice to the right, from time

to time, again to withdraw energy and again to relinquish the same in the manner hereinabove provided.

Whenever the amount of electrical energy in use by the said States is in excess of five thousand (5,000) horsepower of maximum demand, the allottees affected shall be compensated for property rendered idle by the use of such excess. If the States and the allottees affected fail to agree on such compensation, the disagreement shall be determined by arbitration.

(c) *Secondary Energy*

The District shall have the first right to the use of any or all secondary energy for pumping Colorado River water into and in its aqueduct. The right to use any secondary energy which is unused by the District shall be as follows:

Allottee	*Percentage*
City of Los Angeles	55.00
Southern California Edison Company Ltd.	40.00
Nevada-California Electric Corp.	5.00

Any secondary energy not used by any of the above shall be available, for the time being, to any others of the above in the ratio of their above respective percentages. If any secondary energy is available after the requirements of the above allottees are satisfied, the United States reserves the right for the time being to take, use, or dispose of such energy as it ses fit.

5. COMPONENTS OF CHARGES

The charges for electrical energy generated at the Boulder power plant shall consist of two components; (a) the energy charge, and (b) the generating charge.

6. BASIS OF ENERGY RATES

The energy rates, subject to the other articles of these Regulations, shall be such as will yield for the 50-year period ending May 31, 1987, revenues which, together with revenues from the sale of stored water, will be sufficient, but not more than sufficient, to provide the following amounts annually during said 50-year period:

(a) The cost of operation and maintenance of the project, less miscellaneous revenues, excluding the operation and maintenance costs of those parts of the project operated by the Agents.

(b) The annuity required, taking into account interest thereon, for the purpose of meeting the cost of replacements of parts of the dam and appurtenant works requiring replacement during said 50-year period. For the purpose of determining the costs to be charged against the amount accruing from the above annuity the replacement of any item or part, the cost of which is $5,000 or more at the time of replacement, shall be charged against such amount but if such cost is less than $5,000 it shall be charged to maintenance.

(c) The sum of $300,000 annually to each of the States of Arizona and Nevada.

(d) The sum of $500,000 annually to the Colorado River Development Fund.

(e) The annuity required to repay to the Treasury of the United States, with interest, the advances, less revenues accruing during the construction period from the sale of electrical energy under interim contracts, made to the Colorado River Dam Fund prior to June 1, 1937, within 50 years from that date (excluding $25,000,000 for flood control and the costs of generating machinery and equipment), and the annuities required to repay to the Treasury of the United States, with interest, any additional advances made after June 1, 1937 (excluding the costs of generating machinery and equipment plus interest), on the basis of repayment with interest of such advances in a 50 year period beginning June 1 immediately following the year of operation in which the advances were made. The amounts to be amortized by the rates will be taken as the amounts shown by the books of account of the Bureau of Reclamation, after reconciliation with accounts of the Treasury of the United States.

7. UNIFORMITY OF ENERGY RATES

Rates for firm energy, as originally determined and as subsequently revised, shall be uniform for all allottees of firm energy. Rates for secondary energy, as originally determined and as subsequently revised, shall be uniform for all users of secondary energy.

8. RELATIONSHIP BETWEEN RATES FOR FIRM AND SECONDARY ENERGY

The secondary energy rate, for any period, shall be a rate per kilowatt-hour which is the average of (1) a rate which bears the same ratio to the firm energy rate, for the same period, as 0.3 bears to 1.1, and (2) a rate which is 0.8 mill less than the rate for firm energy: *Provided, however,* That as to both firm and secondary energy the rates shall be computed to the nearest thousandth of a mill, and the rate for secondary energy shall not be less than 0.2 mill per kilowatt-hour. (Expressed by formula: Secondary energy rate = Firm energy rate times 0.6363636....., minus 0.4; but not less than 0.2 mill per kilowatt-hour.

9. FIRM ENERGY RATE

Subject to revision and adjustment at the times, to the extent and in the manner hereinafter set out, the rate per kilowatt hour for firm energy for the period from June 1, 1937 to May 31, 1987, shall be 1.163 mills.

10. SECONDARY ENERGY RATE

Subject to revision and adjustment at the times, to the extent and in the manner hereinafter set out, the rate per kilowatt hour for secondary energy for the period from June 1, 1937 to May 31, 1987, shall be 0.340 mill. Energy

taken by any allottee, which is entitled to secondary energy, in excess of its obligation for firm energy shall be at the secondary rate. Energy taken by any allottee, which is not entitled to secondary energy, in excess of its obligation for firm energy but within its allocation thereof shall be at the secondary rate.

11. CREDITS TO ALLOTTEES NOT TAKING THEIR FULL FIRM ENERGY OBLIGATIONS

Any allottee not taking its full minimum annual obligation of firm energy in any year of operation will receive as credit toward such obligation, out of any revenues received from energy taken in the same year of operation by other allottees in excess of their firm energy allocations, an amount not to exceed the product of the number of kilowatt-hours of firm energy not taken and, in the case of the District, not resold for the District's account, times the current secondary energy rate. The credit to any such allottee shall be in the proportion that the kilowatt-hours of firm energy not taken by it and, in the case of the District, not resold for the District's account, bears to the total kilowatt-hours of firm energy not taken by all the allottees entitled to credit hereunder and not resold for the District's account.

12. CREDITS TO ADJUST PAYMENTS OCCASIONED BY ENERGY RATE REDUCTION

Adjustments will be made, by credits, and not by cash refunds, with any contractor who shall enter into a contract under the provisions of the Adjustment Act and these regulations, for payments made for energy billed for the period prior to the effective date of such contract, as amount to overpayments on the basis of energy rates herein promulgated and the number of kilowatt-hours previously billed. The credits will be applied as evenly as practicable on energy bills over the period commencing June 1, 1941, and ending May 31, 1950, or over the remaining period of the contract involved, whichever period is the shorter. Such overpayments shall not bear interest. The total amount of such credits given to all contractors in any year of operation shall not exceed the revenues which otherwise would have accrued in such year in excess of the amounts necessary to meet the current and accrued payments and transfers specified in Article 6 (a), (b), (c) and (d) hereof.

13. PAYMENTS TO STATES AND TRANSFERS TO COLORADO RIVER DEVELOPMENT FUND

Payments to the States of Arizona and Nevada and transfers to the Colorado River Development Fund for amounts due under the Adjustment Act for the period from June 1, 1937 to the effective date of the Adjustment Act will

be made from revenues received after said effective date after providing for the operation and maintenance costs, and the annuity for replacements for current year of operation. The balance of such revenues remaining will be paid to each of the States of Arizona and Nevada in the ratio that $300,000 bears to $1,000,000 and transfers to said Fund will be made in the ratio that $500,000 bears to $1,100,000 until the balance due for said period from June 1, 1937 to the effective date of the Adjustment Act is extinguished without interest.

14. ADJUSTMENT OF ENERGY RATES

Energy rates, both firm and secondary, will be adjusted either upward or downward by the Secretary at the intervals and for the purposes stated below:

(a) As of June 1, 1947 and thereafter at intervals of five (5) years, to reflect, subject to the limitations hereinafter contained, over the remaining portion of the 50-year period ending May 31, 1987, proper correction for the amounts by which revenues actually accrued and the revenues then estimated by the Secretary to accrue, over the said remaining portion of the said 50-year period, from the sale of energy and stored water, have varied from the estimates used for the last preceding determination or revision of energy rates. Such variations as may be occasioned by default in the performance of a contract to purchase firm energy shall not result in an increase in energy rates charged other contractors. Prior to any such revision the Secretary will give all allottees an opportunity to be heard.

In the event of a deficiency in the amount of defined firm energy due to shortage of water available for the generation of firm energy, reduction in the amount to be amortized within the period ending May 31, 1987 will be made, as of June 1, 1947 or as of any subsequent adjustment date under this Article 14 (a), in the manner and to the extent provided in this article 14 (a) if such deficiency exceeds:

(i) Thirty percent (30%) in any one year prior to June 1, 1947; or in the case of any such subsequent adjustment date, thirty percent (30%) in any one year since the date of the last preceding adjustment date; or

(ii) Twenty-five percent (25%) in the entire period prior to June 1, 1947; or in the case of any such subsequent adjustment date, twenty-five percent (25%) in the five-year period preceding such adjustment date; or

(iii) In the aggregate cumulated from June 1, 1937, three percent (3%) of the total defined firm energy for the 50-year period ending May 31, 1987; that is, three percent (3%) of 205,769,000,000 kw.-hr., or 6,173,070,000 kw.-hr.;

As of June 1, 1947, or as of any such subsequent adjustment date, the Secretary shall determine in kilowatt hours the total of any excess of deficiencies of single years under (i) and of any excess of deficiency of the entire interval under (ii). Whichever quantity of kilowatt hours of excess deficiency is the larger shall be multiplied by the rate for firm energy, in effect

for the period during which the deficiency occurred. The product of such multiplication shall be subtracted from the total amount remaining, as of the date of the adjustment, to be amortized within the period ending May 31, 1987.

If as of any such date of adjustment there is an excess of deficiency under (iii), as determined by the Secretary, then the kilowatt hours of such excess deficiency, to the extent they in turn exceed any excesses of kilowatt hours theretofore determined under (i), (ii) or (iii) with regard to which there has already been a reduction in the amount to be amortized within the period ending May 31, 1987, in a like manner will be multiplied by the firm energy rate effective when the excess deficiencies occurred and the product shall be subtracted from the total amount remaining, as of the date of the adjustment, to be amortized within the period ending May 31, 1987.

Estimated future revenues from the sale of secondary energy for the period ending May 31, 1987, will be determined by first subtracting from 40,000,000,000 kilowatt-hours the kilowatt-hours of energy which had been used at secondary rates up to the date of the adjustment, excluding energy the revenues from which had been credited to the allottees as offsetting credits for unused firm energy obligations. The answer obtained will be divided by the number of years remaining in the period. The amount thus secured will be taken as the secondary energy considered as revenue producing in each remaining year of the period unless such amount exceeds the transmission line capacity available for transmission of secondary energy. In the latter event the secondary energy considered as revenue producing will be taken as that part of such amount for which transmission line capacity is available.

In the event that, at the time of any rate adjustment hereunder, the entire said amount of secondary energy (40,000,000,000 kwh) shall have been used, an estimate of secondary energy reasonably anticipated to be used during the remainder of the period ending May 31, 1987, shall be made by the Secretary, and the anticipated revenues therefrom shall be considered in such rate adjustment. The estimate so made shall be revised and revenues from use of such additional secondary energy shall be considered in all subsequent rate adjustments.

(b) As of June 1, 1942, and thereafter as of June 1 of each succeeding year, to make proper correction for variations between previous estimates and actual costs of operation and maintenance of that part of the project operated directly by the United States for past years and to provide for the operation and maintenance costs of such part of the project as estimated by the Secretary for the year of operation then beginning. The cost estimated for the year of operation then beginning less any extraordinary expenses estimated to be incurred in that year shall be considered for rate making purposes as the estimated cost for each remaining year of the 50-year period. Before making such estimate, the Secretary will give all allottees an opportunity to present

their views. Such estimate may be made on the advice and recommendations of such expert or experts as the Secretary may select.

(c) As of June 1, 1942, and thereafter as of June 1 of each succeeding year, properly to reflect variations from previous estimates of the requirement for an annuity for replacements. Unless and until experience has proven otherwise the proper amount for this annuity will be taken as one and one-quarter per cent (1.25%) of the cost of those features of the dam and appurtenant works, exclusive of penstocks, requiring replacement, the cost of which as of June 1, 1940, will be taken as $6,127,139. Unless and until experience has proven otherwise, the annuity for the penstocks will be taken as $6,640.

(d) As of June 1, 1942, and as of each June 1 following a year of operation in which additional advances have been made for the dam and appurtenant works, to provide until May 31, 1987, the annuity required to repay, with interest, such additional advances, on the basis of repayment with interest of such advances in a 50-year period beginning June 1 following the date of such advances. Advances for costs incidental but additional to the installation of additional generating machinery and equipment will be considered as additional advances for the dam and appurtenant works and amortized through the energy rates.

(e) As of June 1, 1987, adjustments shall be made, through refunds or collections as the Secretary may find necessary to achieve consummation of the principle that the revenues shall be sufficient but not more than sufficient to provide the amounts set forth in Article 6 of these regulations, as modified by the provisions of Articles 14 (a) and 15 (c) hereof.

15. AMORTIZATION PERIODS

(a) *Investment prior to June 1, 1937.* The amortization period for advances to the Colorado River Dam Fund for the dam and appurtenant works made prior to June 1, 1937, will be the 50-year period ending May 31, 1987.

(b) *Investment subsequent to June 1, 1937.* The amortization period for advances to the Colorado River Dam Fund for the dam and appurtenant works made subsequent to June 1, 1937, will be the 50-year period beginning June 1, immediately following the year of operation in which the funds were advanced.

(c) *Act of God, etc.* In the event that deficiency in revenues from firm energy shall be caused by Act of God or of the public enemy or any major catastrophe or other unforeseen or unavoidable cause, such deficiency shall not be reflected in any revision or adjustment of the energy charge but the amount of such deficiency for the purpose of computing rates and charges shall be deducted from the amount, otherwise to be amortized within the period ending May 31, 1987.

16. DIVISION OF GENERATING MACHINERY AND EQUIPMENT

For the purpose of determining the generating charges to be paid by the various allottees, the generating machinery and equipment shall be divided into sections, based on the use made of the machinery in the generation of electrical energy. The present generating charges shall be based upon the following sections:

(a) Main Generating Facilities:

Section G–1—Units N–1, N–2, N–3, and N–4.—This section shall include the main generating units designated as above, and appurtenant equipment and facilities, including the main butterfly valves. In general, this includes all equipment and appurtenances shown under F.P.C. Account Nos. 323, 324, and 325 for units N–1 to N–4.

Section G–2—Units N–5 and N–6.—(Same as Section G–1, except as to units designated.)

Section G–3—Units A–1 and A–2.—(Same as Section G–1, except as to units designated.)

Section G–4—Units A–6 and A–7.—(Same as Section G–1, except as to units designated.)

Section G–5—Unit A–8.—(Same as Section G–1, except as to units designated.)

Section G–6—Unit A–5.—(Same as Section G–1, except as to units designated.)

(b) Transforming and Switching Facilities:

Section T–1–A—Banks N–1—N–2 and N–3—N–4.—This section shall include the transforming, switching, and appurtenant equipment associated with the designated banks or units. This section includes the transformers and their appurtenant equipment up to the point of attachment, but exclusive of the generator voltage bus. In general, this includes all the equipment costs shown in F.P.C. Account No. 343 for units N–1 to N–4.

Section T–1–B.1—(Banks X and Y).—This section shall include the transforming, switching, and appurtenant equipment associated with the designated transformer banks. This section shall include the 16.5 kv. cable from point of attachment to the terminals of the oil circuit breakers located at elevation 643.5 and connecting to bank X with its appurtenant facilities; and shall also include the reactor assembly from the point of attachment to the 16.5-kv. transfer bus, the 16.5 kv. oil circuit breaker and catble connecting to bank Y with its appurtenant equipment. This section shall extend on the high-voltage side to the point of attachment to the Citizens Utilities circuit.

Section T–1–B.2—(Banks X and Y).—This section shall include the high-voltage facilities from the point of attachment to the Citizens Utilities circuit to the point of attachment of the high-voltage circuit to the State of Nevada switch-yard structure.

Section T–1–B.3—State of Nevada switchyard.—This section shall include the high-voltage facilities and appurtenant equipment used by the State of Nevada.

Section T–1–B.5—California-Pacific Utilities Company switchyard.—This section includes the high-voltage facilities and appurtenant equipment used exclusively by the California Pacific Utilities Company.

S....ection T–1–B.6—Citizens Utilities Company switchyard.—This section shall include the high-voltage facilities and appurtenant equipment used exclusively by the Citizens Utilities Company.

Section T–1–C—Southern Nevada Power Company switchyard.—This section

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shall include the high-voltage facilities and appurtenant equipment used by the Southern Nevada Power Company.

Section T–1–D—Boulder City switchyard.—This section shall include the high-voltage facilities and appurtenant equipment used by Boulder City.

Section T–2—Banks N–5—N–6.—This section shall include the transforming, switching, and appurtenant equipment associated with the designated banks or units. This section includes the transformers and their appurtenant equipment up to the point of attachment, but exclusive of the generator voltage bus.

Section T–3—Banks A–1—A–2.—(Same as section T–2, except as to units designated.)

Section T–4—Banks A–6—A–7.—(Same as section T–2, except as to units designated.)

Section T–5—Bank A–8.—(Same as section T–2, except as to units designated.)

Section T–6—Bank A–5.—(Same as section T–2 except as to units designated.)

(c) Common Facilities:

Section C.F. common facilities.—This section shall include all the common facilities.

17. COMPONENTS OF GENERATING CHARGES

The generating charge for each contractor shall consist of the following components:

(a) *Amortization component.*—This component shall be such as will yield prior to June 1, 1987, revenues which will be sufficient to provide the annuities required prior to said date in the amortization of the cost of generating machinery and equipment (including interest prior to commencement of the amortization period involved), with interest, during the amortization periods provided in this Article 17 (a). The amounts to be amortized by generating charges will be the construction cost of generating machinery and equipment (including interest prior to commencement of the amortization period involved), as recorded on the books of accounts of the Bureau of Reclamation. The amortization period for costs of generating machinery and equipment paid out of advances from the Treasury to the Colorado River Dam Fund prior to June 1, 1937, shall be the 50-year period ending May 31, 1987. The amortization period for costs of generating machinery and equipment paid out of advances from the Treasury to the Colorado River Dam Fund subsequent to June 1, 1937, shall be the 50-year period beginning with the first day of the month next following the date on which such machinery and equipment is placed in service. Parts of generating machinery and equipment not fully installed at the time such machinery and equipment is placed in operation shall have the same amortization period as the original equipment with which they are associated. Any future betterment or addition to generating machinery and equipment, the cost of which is in excess of $5,000, shall have an amortization period of 50 years, beginning with the first day of the month immediately following completion of installation. Any betterment or addition the cost of which is less than $5,000 will be charged as maintenance.

(b) *Replacement annuity component.*—Unless and until experience has proven otherwise, as determined by the Secretary, the proper amount for this annuity shall be taken as 1.25 per cent of the total cost of such generating machinery and equipment as is replaceable within the 50-year period, as of June 1 of the particular year of operation and such annuity shall be paid over a period concurrent with the amortization payments. The replacement of any item or part of an 82,500 kv.-a.

generating unit and apprtenant equipment, and any item or part other than an item or part for a 40,000 kv.-a. generating unit and appurtenant equipment, the cost of which is $5,000 or more at the time of replacement, shall be charged as replacement. Any item or part, the replacement cost of which is less than $5,000 at the time of replacement, shall be charged to maintenance. For 40,000 kv.-a. generating units and appurtenant equipment the division in this respect shall be $3,000.

(c) *Operation and maintenance component.*—This component shall be based upon the costs of operation and maintenance of that portion of the Boulder Power Plant operated and maintained by the Operating Agents, in accordance with the provisions of the Agency contract.

18. APPORTIONMENT OF GENERATING CHARGES

(a) *Common Facilities.*—(I) For the period prior to June 1, 1942, amortization charges shall be apportioned to each main generating unit actually installed at the rate of $550 per month. After June 1, 1942, the amortization charges for common facilities shall be apportioned equally among the main generating units actually installed, and such charges shall include the amortization over the balance of the period ending May 31, 1987, of that portion of the installments that would have been required and have accrued but have not been paid in full as a result of the limited fixed monthly payments specified above. In the apportionment of charges an 82,500 kv.-a. unit shall be considered as one unit and a 40,000 kv.-a. unit shall be considered as a half unit.

(II) Replacement charges for common facilities shall be apportioned on the same basis as the amortization charges of these facilities except that the charges for the period prior to June 1, 1942 shall be at the rate of $180 per month for each main generating unit actually installed. After June 1, 1942, the replacement charges for common facilities shall include an additional annuity which will provide the same accumulation during the balance of the period as would have been provided had the charges been paid in full and not limited by the fixed monthly payments specified above.

(b) *Amortization Component.*—Unless otherwise agreed to by the allottees affected:

(1) a direct charge to cover the entire cost of amortization, together with a proper share of the amortization cost of common facilities as provided in (a) (I) above, shall be paid by an allottee for the machinery and equipment installed for the sole use of such allottee;

(2) the amortization charges, including a proper share of the amortization cost of common facilities as provided in (a) (I) above, for a section or sections of machinery and equipment used jointly will be apportioned on the basis of energy taken, both firm and secondary, with the minimum annual obligation of each allottee as the minimum considered;

(3) For the purposes of apportioning charges under this Article 18 (b), (c) and (d), Sections G–1 and G–3 shall be considered as one section.

(c) *Replacement annuity component.*—The apportionment of charges for replacements for the generating machinery and equipment, including in the case of generating units a proper share of the replacement charges for common facilities as provided in (a) (II) above, shall be on the same basis as apportionment of the amortization component whether as described under (b) above or as otherwise agreed to by the Allottees affected.

(d) *Operation and maintenance component.*—The apportionment of charges for the operation and maintenance of generating machinery and equipment operated by the Agents, unless otherwise agreed to by the allottees affected, shall be on the same basis as apportionment of the amortization component described under (b) above.

(e) *Agreements of allottees regarding generating charges, etc.*—Agreements between allottees regarding apportionment of generating charges shall be in writing and shall be filed with the Secretary; and any such agreements filed with the Secretary after May 31, 1942, shall be only prospective in effect, and any such agreement shall be effective unless within sixty days after being filed with the Secretary said agreement is determined and announced by the Scretary to be detrimental to the interests of the United States, in which event such agreement shall be of no force or effect with regard to apportionment of generating charges.

Nothing in these regulations shall modify or affect the relative rights and obligations of The Nevada-California Electric Corporation and the City, as successors in interest of the Southern Sierras Power Company and Los Angeles Gas and Electric Corporation, respectively, with regard to generating charges in connection with Sections G-5, T-5 and C.F.

19. ADJUSTMENT OF GENERATING CHARGES

As of June 1 of each year the Secretary will furnish each allottee with a statement of the estimated generating charges for each allottee for the year of operation ending May 31 of the next succeeding calendar year. For the preparation of such estimate the agents shall each furnish not later than May 1 their estimates of cost of operation and maintenance for the coming year of operation. Monthly bills will be rendered on the basis of one-twelfth (1/12) each month of the estimate of generating charges contained in such statement subject to adjustment to actual costs following the close of each year of operation.

20. USE OF UNITS OTHERWISE THAN IN REGULAR ASSIGNMENT

The use by any allottee of equipment upon which another allottee is obligated to pay the charges will be permitted upon such terms as may be agreed to by the parties affected but no such use shall modify the total charges to be made by the United States.

21. ADJUSTMENT OF GENERATING CHARGES FOR THE PERIOD PRIOR TO JUNE 1, 1941

Adjustments will be made by means of collections or credits for the generating charges for the period prior to June 1, 1941, as expeditiously as circumstances will permit. These adjustments shall include:

(a) Payment, if required, by each allottee of sufficient money for amortization of cost of generating machinery and equipment to provide a total amount equal to that which would have accrued with interest on the date of collection from annual payments for this purpose if the Adjustment Act and these regulations had been in effect on June 1, 1937;

(b) Payment, if required, from each allottee of sufficient money to provide a total amount for replacements equal to that which would have accrued with interest on the date of collection from annual payments for this purpose if the Adjustment Act and these regulations had been in effect on June 1, 1937;

(c) Adjustments by collections or credits to properly reflect the distribution between the various allottees of operation and maintenance costs as if the Adjustment Act and these regulations had been in effect on June 1, 1937; and

(d) With each allottee entering into a contract modifying its existing contract to conform to the Adjustment Act, an adjustment shall be made by credits against charges provided for in such contract, and not by cash refunds, as follows:

(1) To each allottee which was, by the existing contracts, designated as a generating agent, there shall be allowed the cost incurred on or after June 1, 1937 and prior to the effective date of the agency contract in generating electrical energy for itself and for other allottees, including compensation paid by it to the United States for the use of machinery and equipment furnished and installed by the United States (less any amount of said cost which may have been paid to said generating agent by the United States pursuant to Article 12 of the existing contract for lease of power privilege);

(2) To each allottee which was not, by the said existing contracts, designated as a generating agent, there shall be allowed all amounts paid by it to the United States prior to the effective date of the agency contract for credit to the lessees under the said contract for lease of power privilege (other than advance payments for power-plant machinery and equipment) on account of use of the leased equipment and on account of maintenance of said equipment, including repairs to and replacement thereof.

22. ADVANCE PAYMENTS FOR GENERATING MACHINERY AND EQUIPMENT

Any advance payments made at any time by any allottee for repayment of costs of generating machinery and equipment over and above that currently required will be credited with proper allowance for interest to such allottee's

obligation to repay such costs with interest and/or such allottee's proportionate share of annuities for replacements of machinery and equipment.

23. ACT OF GOD, DEFAULTS, ETC.

In the event that delivery of energy to any contractor or contractors shall be interrupted by Act of God or of the public enemy or other unforeseen or unavoidable cause, affecting the generating machinery and equipment used for the service of such contractor or contractors, the amount otherwise payable during such period for amortization of such machinery and equipment shall be deducted from the total amount to be so amortized within the period fixed for amortization thereof. Default in the performance of any contract for firm energy shall not result in an increase of the amortization and replacement annuity components of the generating charges against other contractors.

24. ACCOUNTING BY OPERATING AGENTS

Accounts of costs incurred by the Operating Agents under the Agency Contract shall be kept in accordance with the "Uniform System of Accounts Prescribed for Public Utilities and Licensees subject to the Provisions of the Federal Power Act" as adopted by the Federal Power Commission by Order Number 42 on June 16, 1936, as the same may have been or from time to time may be amended; provided, however, that if there shall be any inconsistency between said uniform system of accounts and any specific provision of the Agency Contract or of these Regulations, such Agency Contract and these Regulations shall control; and provided, further, that in the event of uncertainty as to the application of any of the provisions of said uniform system of accounts or of said Agency Contract or of these Regulations to the matter of accounting by the Operating Agents for costs incurred, such uncertainty shall be referred to and determined by the Secretary.

25. ARBITRATION OF DISPUTES

Whenever a controversy arises between one allottee and another and these regulations provide that the matter shall be determined by arbitration, each disputant shall name one arbitrator and these two shall name a third. If either disputant has notified the other that arbitration is demanded and that it has named an arbitrator, and if thereafter the other disputant fails to name an arbitrator for fifteen days, the Secretary, if requested by either disputant, shall name such arbitrator, who shall proceed as though named by the disputant. The two arbitrators so named shall meet within five days after appointment of the second, and name the third. If they fail to do so, the Secretary will, on request by either disputant or arbitrator, name the third. If a controversy in-

volves more than two allottees, three arbitrators shall be named in the manner agreed to at the time by the disputants, or if they are unable to agree, as determined by the Secretary. A decision by any two of the three arbitrators shall be binding on the disputants.

26. APPLICATION OF REGULATIONS

In accordance with Section 11 of the Adjustment Act these regulations shall apply to any contractor for energy from the project only if it executes a contract, pursuant to the Adjustment Act, modifying its existing contract. Prior regulations promulgated under the Project Act shall be repealed as to any contractor executing a contract pursuant to the Adjustment Act, as of the effective date of said contract.

27. FUTURE REGULATIONS

The Secretary will from time to time promulgate such additional or amendatory regulations as may be required for the administration of the project in accordance with the provisions of the Project Act, the Adjustment Act and contracts executed pursuant thereto; provided, however, that no right under any contract then existing shall be impaired or obligation thereunder be extended thereby. Opportunity to present their views shall be afforded such contractors by the Secretary prior to modification or repeal of any of these regulations or promulgation of additional regulations, except that if in the judgment of the Secretary exigencies require prompt action he may act without affording such opportunity, provided that within thirty days of the date of such action he affords to such contractors an opportunity for a hearing if requested in connection with such action.

[ITEM 98]

C. MISCELLANEOUS

APPLICATIONS FOR POWER

BOULDER CANYON PROJECT

APPLICATIONS FOR POWER, BOULDER CANYON PROJECT

Applicant	Date of application	Horsepower	Load factor	Millions of kilowatt hours	Remarks
			Percent		
State of Nevada	Sept. 8, 1929	.....	.....	1,200	One-third of total power generated.
State of Utah	Oct. 1, 1929	50,000	.....	.....	To be taken as needed.
Metropolitan Water District	July 5, 1929	280,000	98	1,789	
Mohave County, Ariz	Sept. 28, 1929	100,000	.....	.....	
City of Los Angeles, Calif	July 5, 1929	[1] 1,000,000	[1] 55	3,600	
City of Burbank, Calif	Sept. 24, 1929	[1] 6,800	[1] 45	20	
City of San Bernardino, Calif	Oct. 21, 1929	10,000	[1] 45	[1] 29	
City of Pasadena, Calif	Sept. 24, 1929	24,500	45	72	
City of Glendale, Calif	Sept. 21, 1929	[1] 17,000	[1] 45	50	
City of Riverside, Calif	Oct. 24, 1929	.....	.....	.....	Amounts not stated.
City of Santa Ana, Calif	Sept. 30, 1929	10,000	[1] 45	[1] 29	
City of Newport Beach, Calif	.....do.....	10,000	[1] 45	[1] 29	
City of Beverly Hills, Calif	Oct. 30, 1929	.....	.....	.....	Do.
Southern California Edison Co	July 5, 1929	[1] 850,000	[1] 65	3,600	
Central Arizona Light & Power Co	Oct. 5, 1929	.....	.....	.....	Do.
Los Angeles Gas & Electric Corporation	Sept. 24, 1929	73,000	[1] 37	[1] 177	Or 7.3 percent California allocation.
The Arizona Power Co	Sept. 30, 1929	30,000	[1] 50	[1] 98	
Yuma Utilities Co	Sept. 27, 1929	26,800	[1] 45	[1] 79	
Southern Sierras Power Co	.....do.....	[1] 72,600	[1] 60	286	7.94 percent of all generated.
Public Utilities Consolidated Corp	Sept. 28, 1929	134,000	[1] 50	[1] 394	
San Diego Consolidated Gas & Electric Corp	Sept. 27, 1929	.....	.....	.....	3.9 percent of California allocation.
Katherine Midway Mining Co	Sept. 12, 1929	5,000	[1] 50	[1] 16	
Consolidated Feldspar Corp	Sept. 25, 1929	325	[1] 50	[1] 1	
J. T. Dobbins, Fredonia, Ariz	Sept. 10, 1929	.....	.....	.....	Amounts not stated.
United Verde Copper Co	Sept. 23, 1929	.....	.....	.....	Do.
Palo Verde Mesa & Chucawalla Valley Development Association.	July 3, 1929	30,000	[1] 50	[1] 98	
City of Colton	Oct. 21, 1929	3,000	45	9	

[1] Quantities assumed from best data available.

[ITEM 99]

BOULDER CANYON PROJECT

MEMORANDUM FOR THE PRESS

ALLOCATION OF BOULDER DAM POWER

OCTOBER 20, 1929

DEPARTMENT OF THE INTERIOR

Memorandum for the Press

Immediate Release
October 21, 1929

The Secretary of the Interior announced to-day his decision in regard to the allocation of Boulder Dam power. He appointed November 12th as the date for a formal hearing in case of any protest.

The power to be developed at the Boulder Dam subject to certain deductions is to be contracted for as follows:

To the Metropolitan Water District of Southern California, 50 percent, or so much thereof as may be needed and used for the pumping of Colorado River water.

To the City of Los Angeles 25 percent; and

To the Southern California Edison and associated companies, 25 percent.

These allotments are to be subject to certain deductions which may arise through the exercise of prefernce rights, i. e.,

(a) not exceeding 18 percent of the total power developed for the State of Nevada for use in Nevada;

(b) not exceeding 18 percent of the total power for the State of Arizona for use in Arizona, as above; and should either of the States not exercise its preference rights the other may absorb them up to 4 percent;

(c) not exceeding 4 percent for municipalities which have heretofore filed applications.

All such preference rights in whole or in part are to be exercised by the execution of valid contracts with the respective States and municipalities satisfactory to the Secretary and the exercise of such preference rights is to reduce proportionately the above allotments to the District, the City and the Company.

Any State desiring to withdraw power within the limitations above stated must serve on the Secretary of the Interior written notice within not less than twelve months of the amount of power desired, and for the purchase of which valid contracts satisfactory to the Secretary must be executed.

Power contracted for but not required within a State shall be allocated to the City and the Company on a 50–50 basis, with the reservation that it can again be called for within a reasonable time for use within the State. All power provided a State shall be at actual cost.

Should the 50 percent allocated to the Metropolitan Water District be not required for pumping, this shall become available to the City of Los Angeles, 66⅔ percent; to the Southern California Edison and associated companies, 33⅓ percent.

Any municipalities desiring power within the limitation prescribed must execute the necessary contract therefor within twelve months from the date the contracts are made with the District, and the City.

Any firm power available at the Boulder Canyon Dam for the payment of which other contractors do not become and remain liable, aside from that allocated to the Metropolitan District, shall be taken and paid for by the City of Los Angeles and the Edison Company, on a 50–50 basis.

The contract for the available power is to be made with the City of Los Angeles, and the Metropolitan Water District, with various subcontracts assuring the above, and providing for a board of control made up of two members nominated by the City of Los Angeles and the Metropolitan Water District, two by the Southern California Edison and associated companies, and one by the Secretary of the Interior, to act with the City of Los Angeles in the operation of the plant.

The Federal Government will install the dam, tunnels, power house, and penstocks. The machinery for the generation and distribution of power is to be provided and installed by the lessee. The costs of installation and operation are to be borne by those contracting for the power in proportion to the amounts received. When the dam and power house are actually in operation the lessees may have the right to ask for a review of the actual cost of units of power and be entitled to deductions which will still permit the charge made to return to the Government all advances and interest in accordance with the Boulder Dam Act, and provided further that if such review indicates that a

higher rate should be paid for power to meet the obligation to the Federal Government such an advance in rate will be put into effect.

There will be a clause inserted in all of the contracts which will insure the distribution of all power developed at the Boulder Dam at such a price as in the opinion of the Federal Power Commission is fair to all consumers. Should certain municipalities operating their own power plants desire to make separate agreements with the City of Los Angeles and the Metropolitan Water District they shall be supplied with power at cost price.

The charge for storing water for the Metropolitan Water District will be 25 cents per acre-foot.

[ITEM 100]

BOULDER CANYON PROJECT

MEMORANDUM OF ALLOCATION

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

THE CITY OF LOS ANGELES

SOUTHERN CALIFORNIA EDISON COMPANY

MARCH 20, 1930

RESOLVED, That we recommend to the Secretary of the Interior that the 64 percent of total firm power from the Boulder Canyon project available to California interests under his allocation, be divided upon terms hereinafter set forth, as follows:

	Percent total firm power
To the Metropolitan Water District	36
To the City of Los Angeles and other municipalities which have filed application	19
To the Southern California Edison Co.	9
Total (exclusive of unused firm power)	64

and

FURTHER RESOLVED, That we recommend to the Secretary that the Metropolitan Water District be given the first call upon all unused firm power and all unused secondary power up to their total requirements for pumping into and in the aqueduct, and that any unused power of the municipalities be allocated to the City of Los Angeles, and that any remaining unused firm power or unused secondary power be divided one-half to the City of Los Angeles and one-half to the Southern California Edison Co.; and

FURTHER RESOLVED, That all parties hereto agree to cooperate to the fullest extent to make the Boulder Canyon project a success in all its phases; and

FURTHER RESOLVED, That this agreement is based upon the resolution already passed by the Metropolitan Water District of Southern California and accepted by the Board of Water and Power Commissioners of the City of Los Angeles whereby that district requests the City of Los Angeles at cost to generate its power requirements and to operate its transmission lines, which lines are to be paid for and owned by the Metropolitan Water District.

The above resolution was approved March 20, 1930, by representatives of—

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA,

THE BOARD OF WATER AND POWER COMMISSIONERS OF THE CITY OF LOS ANGELES,

THE SOUTHERN CALIFORNIA EDISON CO.

[ITEM 101]

BOULDER CANYON PROJECT

AGREEMENT AMONG MUNICIPALITIES OF APRIL 7, 1930

At a meeting of representatives of the municipalities of Anaheim, Beverly Hills, Burbank, Colton, Fullerton, Glendale, Newport, Pasadena, Riverside, San Bernardino, and Santa Ana, with Northcutt Ely, Executive Assistant to the Secretary of the Interior, on April 7, 1930, at 10 a. m., in the offices of the Metropolitan Water District, the following action was taken:

1. Pursuant to resolution unanimously adopted March 31, 1930, which allocated Boulder Dam primary energy available to the above municipalities (6 percent of the total generated) among them in proportion to their 1929 consumption, and which directed a committee consisting of representatives of Pasadena, Beverly Hills, and San Bernardino to determine the respective figures for the eleven municipalities 1929 consumption, this committee, under the chairmanship of B. F. DeLanty, of Pasadena, reported as follows:

BOULDER DAM POWER — SMALLER CITIES

City	1929 consumption kilowatt-hours (substation data)	Percentage of total	Switchboard power available, millions of kilowatt hours	Firm	Recommended horsepower at switchboard peak at 45 percent load factor	Estimated proportional cost of the two transmission lines at $20,000,000
Burbank	13,143,901	6.12	15.55	2,386	5,304	$367,200
San Bernardino	25,275,440	11.76	29.87	4,586	10,192	705,600
Pasadena	57,616,480	26.82	68.12	10,459	23,245	1,609,200
Glendale	34,567,200	16.09	40.87	6,276	13,945	965,400
Riverside	21,300,341	9.91	25.18	3,865	8,588	594,600
Santa Ana	14,280,355	6.65	16.89	2,594	5,763	399,000
Newport	1,570,127	.73	1.85	285	633	43,800
Beverly Hills	21,519,303	10.01	25.42	3,904	8,675	600,600
Colton	11,801,850	5.50	13.97	2,145	4,767	330,000
Anaheim	6,684,268	3.11	7.90	1,213	2,695	186,600
Fullerton	7,083,744	3.30	8.38	1,287	2,860	198,000
Total	214,843,009	100.00	254.00	39,000	86,667	6,000,000

The committee explained that the last column, referring to pro rata of cost of the City of Los Angeles transmission line, was a rough estimate.

It was moved, seconded, and unanimously carried that the proposed allocation as presented by this committee be approved.

2. The following resolution was unanimously adopted:

RESOLVED, That the allocation reported (full text attached hereto) be adopted; that is, of the power allocated to the 11 municipalities, each receive as follows:

City	*Percentage of total*
Burbank	6.12
San Bernardino	11.76
Pasadena	26.82
Glendale	16.09
Riverside	9.91
Santa Ana	6.65
Newport	.73
Beverly Hills	10.01
Colton	5.50
Anaheim	3.11
Fulletron	3.30
Total	100.00

FURTHER RESOLVED, That generation of Boulder Canyon power for the municipalities be performed by the City of Los Angeles, and that the municipalities designate the City of Los Angeles as the agent for transmitting any Boulder Canyon power for which they contract over the main transmission lines constructed by the City for carrying Boulder Canyon power, subject to the understanding that, if on further investigation before April 15, 1932, it shall prove to be materially more economical for any municipality to make a different arrangement, it may do so; and

FURTHER RESOLVED, That in case of any disagreement over the question of cost of transmission of Boulder Canyon power, such disagreement will be adjusted by the Secretary of the Interior; and

FURTHER RESOLVED, That any municipality desiring to reserve the right to contract with the United States for power, in accordance with the allocation approved April 7, shall take formal action indicating such desire on or before May 15, 1930, and shall transmit advice of such desire to the Secretary and to a committee consisting of the general manager of the light department of the City of Pasadena, who shall transmit such advice to the other municipalities. Thereafter, on or before April 15, 1931, such municipality shall enter into a final contract with the Government. Any power allocated to a municipality, but not reserved or contracted for under the two foregoing time limitations, shall be included in the allocations to those municipalities who do make such reservation and contract, in the ratio that their present allocations bear to each other; and

FURTHER RESOLVED, That these municipalities pledge their cooperation to make the Boulder Canyon project a success in all its phases.

SUBDIVISION IV

MISCELLANEOUS CONTRACTS

[ITEM 102]

BOULDER CANYON PROJECT

CONTRACT FOR JOINT USE OF DOUBLE-CIRCUIT, 33,000-VOLT, TRANSMISSION LINE IN VICINITY OF BOULDER DAM

THE UNITED STATES

AND

SOUTHERN NEVADA POWER COMPANY

DECEMBER 15, 1936

(12r–6794)

THIS AGREEMENT, Made this 15th day of December, 1936, in pursuance of the Act of Congress of June 17, 1902 (32 Stat. 388) and act of December 21, 1928 (45 Stat. 1057) and acts amendatory thereof or supplementary thereto, between THE UNITED STATES OF AMERICA, hereinafter styled The United States, represented by the contracting officer executing this contract, and the SOUTHERN NEVADA POWER COMPANY, hereinafter styled the Contractor, having its principal place of business at Las Vegas, Nevada.

WITNESSETH THAT:

2. WHEREAS, the Contractor is constructing a three-phase 33,000-volt transmission line from the Boulder Power Plant to Las Vegas, Nevada; and

3. WHEREAS, the United States is constructing a double circuit 33,000-volt transmission line from a transformer station, located near the downstream end of the highway tunnel to the power plant, to a point on the existing Boulder City-Boulder Dam 33,000-volt transmission line; and

4. WHEREAS, it is desirable to minimize the number of transmission lines through the congested and difficult area in the vicinity of the dam; and

5. WHEREAS, the Contractor's circuit can be installed on one side of the double-circuit transmission line of the United States and thereby avoid the construction of a separate pole line by the Contractor.

6. NOW THEREFORE, It is agreed, that—

7. The United States will construct, operate and maintain a double-circuit, 33,000-volt, wood-pole, transmission line from a transformer station, located at the Colorado River near the downstream end of the highway tunnel to the Nevada wing of the Boulder Power Plant, to pole number 19 of the existing single-circuit, 33,000-volt, transmission line from Boulder Dam to Boulder City. The United States will install, operate and maintain one 33,000-volt, three-conductor circuit on the said double-circuit pole line, and the Contractor shall have the right to install one 33,000-volt, three conductor circuit in the other position on the said double-circuit pole line. The Contractor shall furnish, install and maintain the conductors, insulators, insulator pins and insulator hardware required in connection with its circuit.

8. All equipment, material and/or work in connection with the Contractor's circuit shall conform to specifications and plans acceptable to and approved by the Chief Engineer of the United States Bureau of Reclamation, and shall be maintained in a safe and satisfactory condition. The United States may terminate this contract at any time if, after reasonable notice of non-conformity with the plans and specifications, or of unsafe and/or unsatisfactory conditions, as conclusively determined by the Chief Engineer of the United States Bureau of Reclamation, the Contractor fails or refuses to make such changes as may be required by said Chief Engineer.

9. The Contractor shall pay one hundred and seventy-five dollars ($175.00) per year for the use of the said double-circuit pole line of the United States for supporting the Contractor's 33,000-volt transmission circuit. Payment will be due and payable on the tenth day of January of each year for the previous year. Payment for a fractional part of a year at the beginning or end of the contract period shall bear the same ratio to one hundred and seventy-five dollars ($175.00) that the number of days that power service is actually rendered to the Contractor over the said circuit during said fractional year bears to three hundred and sixty-five (365).

10. The Contractor shall assume all risk of loss or damage and shall indemnify and save harmless the United States, its officers and employees, from any liability, loss, damage, or judgment on account of, growing out of, resulting from, or in any way connected with, the installation operation, or maintenance of the Contractor's circuit on the said pole line of the United States.

11. This contract shall become effective upon the date when the regular delivery of power from the Boulder Power Plant to the Contractor is begun and shall remain in effect to and including December 31, 1946; *Provided that*

it may be cancelled by either party at any time upon six months' written notice to the other party.

12. This contract shall not be transferred to any other person or persons without the consent of the United States.

13. No Member of or delegate to Congress, or Resident Commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation for its general benefit.

14. IN WITNESS WHEREOF, the parties have caused this agreement to be executed in duplicate by their properly authorized officers, the day and year first above written.

UNITED STATES OF AMERICA,
By R. F. WALTER, *Chief Engineer.*

SOUTHERN NEVADA POWER COMPANY,
By S. J. LAWSON,
Vice President
and General Manager.

[SEAL]

Attest:
C. S. WENGERT, *Secretary.*

[ITEM 103]

BOULDER CANYON PROJECT

MEMORANDUM AGREEMENT

UNITED STATES NATIONAL PARK SERVICE

AND

UNITED STATES BUREAU OF RECLAMATION

COVERING THE FURNISHING OF ELECTRIC POWER FOR USE IN CONNECTION WITH THE BOULDER DAM NATIONAL RECREATIONAL AREA DEVELOPMENT IN HEMENWAY, WASH.

SEPTEMBER 14, 1939

(I1r–1149)

1. WHEREAS, the National Park Service is developing a recreational area in Hemenway Wash as part of the Boulder Dam National Recreation Area, and

2. WHEREAS, the National Park Service requires electric power for lighting, heating, and miscellaneous purposes and for resale to its concessionaires in this area, and

3. WHEREAS, the Bureau of Reclamation is prepared to furnish electric power from the Boulder Power Plant at the rates and under the conditions herein set forth,

4. IT IS UNDERSTOOD AND AGREED AS FOLLOWS:

5. The Bureau of Reclamation will supply to the National Park Service at the point where the latter's 33,000 volt transmission circuit connects to the Bureau's Boulder Dam-Boulder City 33,000 volt transmission line, in the

vicinity of pumping plant No. 2 of the Boulder City water supply system, electrical energy in the form of three phase, 60 cycle alternating current at approximately 33,000 volts. The maximum amount of power which the Bureau agrees to supply is five hundred (500) kilowatts, provided that the National Park Service may, with the consent of the Director of Power, in charge of the Boulder Canyon Project, use more than the maximum amount of power specified herein, at such times as the additional power may be available as determined by the Director of Power.

6. This memorandum agreement shall become effective upon the date of execution and shall remain in effect until June 30, 1940, and shall be renewable at the option of the National Park Service, for additional terms of one year each, provided the Bureau of Reclamation is given written notice of renewal 30 days prior to the expiration date. The National Park Service shall have the right to cancel this memorandum agreement at any time by giving the Bureau of Reclamation thirty (30) days' written notice and the Bureau of Reclamation shall have the right, at any time after five years from the effective date of this agreement and subject to the approval of the Secretary of the Interior, to cancel this memorandum agreement by giving the National Park Service thirty (30) days' written notice.

7. The National Park Service will pay the Bureau of Reclamation for electrical energy used, in accordance with the following rates:

A demand charge of 25 cents per kilowatt of actual fifteen minute-maximum demand per month, plus

An energy charge of two and three quarters mills ($0.00275) per kilowatt hour.

8. Payment will be made by transfer of funds to the credit of the Boulder Canyon Project as follows:

Bills for power used in any calendar month shall be due on the 15th of the succeeding month, and shall be paid by transfer of funds from the National Park Service to the credit of the Boulder Canyon Project, upon presentation of such bills by the Bureau of Reclamation to the National Park Service.

9. For the purpose of this memorandum agreement the maximum demand for each month shall be defined as the average amount of power used during that period of fifteen (15) consecutive minutes when such average is the greatest for that month, as determined from time to time by the Bureau of Reclamation by suitable meters or otherwise.

10. The Bureau of Reclamation will furnish electrical energy continuously so far as reasonable diligence will permit. Should any suspension occur due to causes arising in the power system of the Bureau of Reclamation, the total number of hours of such suspension in any one calendar month shall be ascertained and the demand charge will be reduced one percent (1%) for each eight (8) hours or major fraction of such total suspension.

11. The maximum demand and kilowatt hours of energy will be measured

on the low voltage side of the transformers at the National Park substation in Hemenway Wash. The Bureau of Reclamation will install and maintain the necessary meter equipment for measuring the maximum demand and electrical energy delivered. The meters will be tested and adjusted if necessary at least once each year. Should the meters fail or be found inaccurate by more than two perecent (2%) the energy delivered will be estimated from the best information available.

12. All equipment, material and work in connection with the electrical installation for the National Park Service shall conform to specifications and plans acceptable to the Bureau of Reclamation and shall be maintained in a safe and satisfactory manner.

Dated September 14, 1939.

(Signed) H. W. BASHORE,
Acting Commissioner,
Bureau of Reclamation.

(Signed) J. R. WHITE,
Acting Director,
National Park Service.

Approved: September 19, 1939.
(Signed) HARRY SLATTERY,
Acting Secretary of the Interior.

[ITEM 104]

BOULDER CANYON PROJECT

MEMORANDUM AGREEMENT

DEPARTMENT OF THE INTERIOR

AND

WAR DEPARTMENT

COVERING THE FURNISHING OF ELECTRICAL ENERGY AND WATER FOR USE IN CONNECTION WITH CAMP SIBERT AT BOULDER CITY, NEVADA

JANUARY 7, 1941

(W–6585–qm)
(O.I. No. 3271)

1. WHEREAS, the War Department is constructing and will operate and maintain a camp, known as Camp Sibert at Boulder City, Nevada and in connection therewith will require supplies of electrical energy and water; and

2. WHEREAS, the Bureau of Reclamation of the Department of the Interior is prepared to furnish electrical energy and water from the Boulder Power Plant and the Boulder City Water System to the War Department at the rates and under the conditions herein set forth,

3. NOW, THEREFORE, IT IS UNDERSTOOD AND AGREED AS FOLLOWS:

4. The Bureau of Reclamation will supply to the War Department at its Camp Sibert located between California and J Avenues, adjacent to and South of New Mexico Street, in Boulder City, Nevada, electrical energy in the form of three-phase, sixty-cycle (60), alternating current at approximately twenty-three hundred (2,300) volts. The maximum amount of power which the

Bureau of Reclamation agrees to supply is three hundred (300) kilowatts. The War Department may, with the consent of the duly authorized officer of the Bureau of Reclamation, use more than the maximum amount of power specified herein, at such times as the additional power may be available.

5. The War Department will pay the Bureau of Reclamation for electrical energy furnished at the following rates:

> A demand charge of 25 cents per kilowatt of actual fifteen minute maximum demand per month, plus
> An energy charge of two and three quarters mills ($0.00275) per kilowatt hour.

6. For the purpose of this Memorandum Agreement the maximum demand referred to in Article 5 hereof shall be defined as the average amount of energy furnished during that period of fifteen (15) consecutive minutes when such average is the greatest for that month as determined from time to time by the Bureau of Reclamation by suitable meters or otherwise.

7. The Bureau of Reclamation will furnish the War Department with water from the Bureau's Boulder City System. Said Water shall be delivered to the War Department at the aforesaid Camp Sibert. The War Department will pay the Bureau of Reclamation for water furnished hereunder at the rate of 12 cents per thousand gallons.

8. Payment for electrical energy and water furnished in accordance with the terms of this agreement shall be made by transfer of funds to the credit of the Boulder Canyon Project as follows:

> Bills for electrical energy and water furnished in any calendar month shall be due on the 15th of the succeeding month, and shall be paid by transfer of funds from the War Department to the credit of the Boulder Canyon Project, upon presentation of such bills by the Bureau of Reclamation to the War Department.

9. The delivery of electrical energy and water shall in each instance be through one meter, and the War Department shall, at its own expense, install and maintain the necessary distribution facilities to serve its camp.

10. This Memorandum Agreement shall become effective upon the date of execution and shall remain in effect until June 30, 1941, and shall be renewable at the option of the War Department for additional terms of one year each, to and including the year ending June 30, 1951, provided, the Bureau of Reclamation is given written notice of renewal thirty days prior to the expiration date. The War Department reserves the right to cancel this Memorandum Agreement at any time by giving the Bureau of Reclamation thirty (30) days' written notice of its intention so to do.

11. The Bureau of Reclamation will install and maintain (a) the necessary meters for measuring the maximum demand and amounts of electrical energy delivered, and (b) the necessary meter for measuring the amount of water delivered. Should the meters fail or be found inaccurate the electrical energy and water delivered will be estimated from the best information available.

12. All equipment, material and work in connection with electrical and water distribution facilities of the War Department shall conform to specifications and plans acceptable to the Bureau of Reclamation and shall be maintained in a safe and satisfactory manner. This contract subject to the approval of the Quartermaster General, or such officer as he may designate.

Dated this 7th day of January 1941.

Payments will be made by the Finance Officer, U. S. Army, Fort Douglas, Utah.

PROCUREMENT AUTHORITY: The supplies and services to be obtained by this instrument are authorized by, are for the purpose set forth in, and are chargeable to the following Procurement Authority, the available balance of which is sufficient to cover the cost of same.

QM 7539 P1–3212 A 0540.068–N.

OFFICIALS NOT TO BENEFIT: No member of or delegate to Congress or Resident Commissioner shall be admitted to any share or part of this agreement or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this agreement if made with a corporation for its general benefit.

DEPARTMENT OF THE INTERIOR,
By E. A. MORITZ,
Director of Power, Boulder Canyon Project, Bureau of Reclamation.

WAR DEPARTMENT,
By E. G. THOMAS,
Constructing Quartermaster, Q.M.C., 9th Corps Area.

[ITEM 105]

BOULDER CANYON PROJECT

MEMORANDUM AGREEMENT

DEPARTMENT OF THE INTERIOR

AND

WAR DEPARTMENT

PROVIDING FOR THE CONSTRUCTION OF AN ELECTRICAL DISTRIBUTION SYSTEM AT CAMP SIBERT, BOULDER CITY, NEVADA.

APRIL 14, 1941

1. WHEREAS, the War Department is constructing and will operate and maintain a camp, known as Camp Sibert, at Boulder City, Nevada, and in connection therewith desires the Bureau of Reclamation of the Department of the Interior to perform certain of the work of constructing an electrical distribution system therefor; and

2. WHEREAS, the Bureau of Reclamation is willing to perform certain of said work on the conditions hereinafter more particularly set forth, and the work and services hereinafter agreed upon cannot be as conveniently or more cheaply performed by private agencies.

3. NOW, THEREFORE, IT IS UNDERSTOOD AND AGREED AS FOLLOWS:

4. The Bureau of Reclamation will, in accordance with the detailed plans and specifications attached hereto marked "Exhibit A", and by this reference made a part hereof, perform the following described work on the electrical distribution system to be erected at the aforesaid Camp Sibert:

Gain, roof, cross arm and set 51 poles.

Install 56 secondary racks.
Install 25 guy wires.
String primary and secondary wires.
Install 10 transformers.
Install 1 street lighting transformer.
Install street lighting control.
Install two street lighting standards.
Install underground cable.
Install 52 services.
Install 14 sets lightning arresters.
Install 5 fused cutouts.
Unload and haul 55 poles.

The War Department shall furnish the Bureau of Reclamation with all necessary supplies and materials required for the above described work; provided, however, that the Bureau of Reclamation shall furnish such surplus project supplies as it may have on hand.

5. The War Department with its own forces and at its own cost and expense shall dig all holes and trenches and install all required anchors.

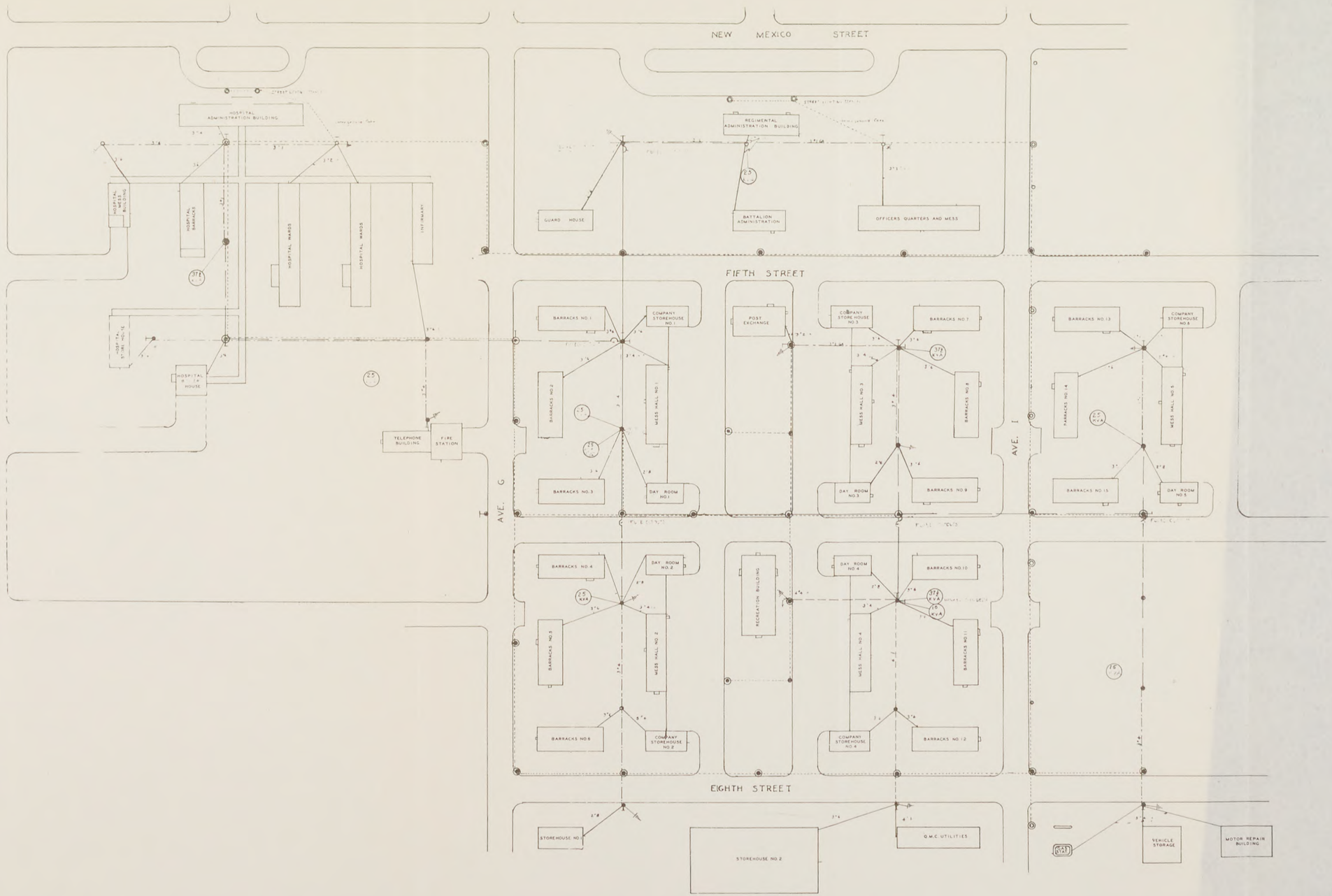
6. The War Department shall reimburse the Bureau of Reclamation for (a) the actual cost of all work performed by the Bureau of Reclamation as hereinabove provided, including reasonable charges for supervision and overhead expense; and (b) for all supplies and materials furnished to the War Department, including reasonable charges for handling, overhead and transportation to the point of use.

7. All sums due the Bureau of Reclamation hereunder shall be paid by the transfer of funds from the War Department to the credit of the Colorado River Dam Fund promptly upon presentation of bills therefor.

Dated this 14th day of April 1941.

BUREAU OF RECLAMATION,
By E. A. MORITZ,
Director of Power,
Boulder Canyon Project.

WAR DEPARTMENT.
(Signed) E. G. THOMAS, *Lt. Col., Q.M.C.*
Constructing Quartermaster.



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[ITEM 106]

BOULDER CANYON PROJECT

MEMORANDUM AGREEMENT

THE BUREAU OF RECLAMATION

AND

DEFENSE PLANT CORPORATION

COVERING THE SUPPLY OF ELECTRICAL EQUIPMENT FOR THE MAGNESIUM PLANT NEAR LAS VEGAS, NEVADA

JUNE 8, 1943

(11r–1400)

1. THIS MEMORANDUM AGREEMENT made and entered into this 8th day of June, 1943, by and between the BUREAU OF RECLAMATION OF THE DEPARTMENT OF THE INTERIOR and DEFENSE PLANT CORPORATION, acting by and through Basic Magnesium, Incorporated, hereinafter referred to as "Basic";

WITNESSETH:

2. WHEREAS, Basic has authority to construct and has funds available for the construction and operation and maintenance of a magnesium plant near Las Vegas, Nevada, and in connection therewith had immediate and urgent need for certain electrical equipment hereinafter more particularly described; and

3. WHEREAS, The Bureau of Reclamation from equipment on hand at Boulder Canyon project was in a position to and did furnish Basic with the required electrical equipment quickly, and more cheaply and conveniently than private agencies could;

4. NOW, THEREFORE, IT IS UNDERSTOOD AND AGREED:

5. Basic, having determined it to be in the best interests of the Government to obtain said equipment from the Bureau of Reclamation, did purchase and accept delivery, at a point near the head tower for the one hundred and fifty ton cableway at Boulder Dam, of the following items from the Bureau of Reclamation.

4	3333 kv.-a., 13,800/16,500 to 39,840/69,000 Y-volt single phase 60 cycle, oil immersed, inert gas type, self-cooled transformers of the outdoor type, complete with all necessary apparatus for automatic tap changing under load	$45,262.26
1	3-phase, gang operated, 600 amp., 69 kv. disconnecting switch, Johnson Mfg. Company	5,549.59
1	3-phase, gang operated, 1200 amp., 23 kv. disconnecting switch, Johnson Mfg. Company	329.42
1	39,600 volt to 110 volt, 60 cycle, outdoor type, oil-insulated potential transformer complete with disconnecting type fuse	1,068.00

6. Basic agrees, promptly upon presentation of a bill or bills therefor, to pay to the Bureau of Reclamation the prices set out above opposite each item.

Dated this 8th day of June, 1943.

BUREAU OF RECLAMATION,
By H. W. BASHORE,
Acting Commissioner.

DEFENSE PLANT CORPORATION,
Acting by and through
Basic Magnesium, Inc.
By F. O. CASE, *General Manager.*

Attest:
By PAUL B. LEVENGOOD, *Assistant Secretary.*

[ITEM 107]

BOULDER CANYON PROJECT

MEMORANDUM AGREEMENT

UNITED STATES NATIONAL PARK SERVICE

AND

UNITED STATES BUREAU OF RECLAMATION

COVERING THE FURNISHING OF UNTREATED WATER FOR USE IN CONNECTION WITH THE BOULDER DAM NATIONAL RECREATIONAL AREA DEVELOPMENT IN HEMENWAY, WASH.

SEPTEMBER 1, 1944

(11r–1423)

1. WHEREAS, the National Park Service is developing a recreational area in Hemenway Wash as part of the Boulder Dam National Recreational Area; and

2. WHEREAS, as a part of the Boulder Canyon Project, the Bureau of Reclamation has provided a water system for the purpose of supplying water to Boulder City, Nevada, and has paid all construction, replacement and operation and maintenance costs arising therefrom; and

3. WHEREAS, the National Park Service has required, now requires and will hereafter require, untreated water in connection with its operation of said recreational area; and

4. WHEREAS, the Bureau of Reclamation has delivered and is prepared hereafter to deliver untreated water to the National Park Service from said water supply system at the rate and under the conditions herein set forth, and, in the judgment of the Secretary of the Interior, is able to do so without impairing the efficiency of Boulder Canyon Project; and

5. WHEREAS, to the extent that water has been or hereafter shall be delivered to the National Park Service, useful pumping capacity has been and will be reduced for Boulder City use; and

6. WHEREAS, the National Park Service has been and hereafter will be benefited in direct proportion to the extent that said water supply system has been and hereafter will be utilized for delivering water to the National Park Service; and

7. WHEREAS, it is equitable that the National Park Service pay a proportionate share of all costs for pumping water, including amortization of investment, replacements, operation (other than energy costs) and maintenance, all of which are classed as fixed costs for this purpose; and

8 WHEREAS, the cost of electrical energy for pumping is in proportion to the amount of water pumped, and it is equitable that the National Park Service pay such cost on the basis of the quantity of water actually delivered to it;

9. IT IS UNDERSTOOD AND AGREED AS FOLLOWS:

10. The Bureau of Reclamation will (contingent upon the availability of funds for the operation of the Boulder City water supply system, supply water to the National Park Service at the No. 2 Pumping Plant of said Boulder City Water system near Boulder City, Nevada, in the maximum quantity of 1,500,000 gallons per calendar month, provided the maximum rate of delivery shall not exceed 80 gallons per minute during the months of June, July, August, and September.

11. This memorandum agreement shall be effective from the date when water was first delivered by the Bureau of Reclamation to the National Park Service, namely October 1, 1939, and shall remain in effect until June 30, 1945. It shall be renewable at the option of the National Park Service for additional terms of one year each, provided the Bureau of Reclamation is given written notice of renewal thirty (30) days prior to the expiration date. *And provided further,* That the Bureau of Reclamation reserves the right at the time of any such renewal to revise the rates to be charged hereunder to take care of variations in the elements of costs which for the purposes of this memorandum are classed as fixed costs and to take care of variations in the cost of electrical energy for pumping. The National Park Service shall have the right to cancel this memorandum agreement at any time by giving the Bureau of Reclamation thirty (30) days' written notice, and the Bureau of Reclamation shall have the right to cancel this agreement as of June 30 of any year by giving the National Park Service written notice of cancellation at least 9 months prior thereto.

12. The National Park Service, in order to cover its proportionate share of fixed costs will pay the Bureau of Reclamation the sum of One Hundred Ten Dollars ($110.00) per month for each month during which water has heretofore been delivered and for each month during which water shall hereafter be delivered. In addition thereto, the National Park Service, in order to pay its

proportionate share of the cost of electrical energy for pumping, will pay the Bureau of Reclamation for water delivered, in accordance with the following rate:

One and one-half cents ($0.015) per One Thousand (1,000) gallons of water delivered.

13. Payment of the fixed cost charges and payment of the charges for water delivered will be made by transfer of funds to the credit of the Boulder Canyon Project, as follows:

The fixed cost charge for each month shall be due on the 15th of such month. The charge for water delivered in any calendar month shall be due on the 15th of the succeeding month. All charges shall be paid by transfer of funds from the National Park Service to the credit of the Boulder Canyon Project upon presentation of bills therefor by the Bureau of Reclamation to the National Park Service. The fixed cost charges and the charges for water delivered which have accrued since October 1, 1939, shall be paid by the National Park Service by a like transfer of funds upon presentation to it of bills therefor by the Bureau of Reclamation, which bills shall give the National Park Service credit for the amounts heretofore paid for water delivered.

14. The Bureau of Reclamation will furnish untreated water continually in the amount specified so far as reasonable diligence will permit.

15. The Bureau of Reclamation will install and maintain the necessary meter equipment for measuring the water delivered. Should said equipment fail or be found inaccurate, the water delivered will be estimated from the best information available.

H. W. BASHORE,
Commissioner, Bureau of Reclamation.
HILLORY A. TOLSON,
Acting Director, National Park Service.

Dated September 1, 1944.

Approved September 4, 1944.
(Signed) ABE FORTAS, *Under Secretary.*

SUBDIVISION V

CONSTRUCTION CONTRACTS

[ITEM 108]

BOULDER CANYON PROJECT

PRINCIPAL CONSTRUCTION AND MATERIAL CONTRACTS

PRINCIPAL CONSTRUCTION AND MATERIALS

Specs. No.	For	Bids opened	
		Date	Place
485–D	Aerial photographic and ground photo-topographic surveys	6/16/30	Denver, Colo.
485–D	Aerial photographic and ground photo-topographic surveys	6/16/30	do.
486–D	Power for construction purposes	9/29/30	do.
517	Boulder City—Boulder Dam highway	1/7/31	Las Vegas, Nev.
500–D	2,000,000-gallon and 100,000-gallon plate steel water tanks	1/15/31	Denver, Colo.
518	U. S. Construction railroad	1/12/31	Las Vegas, Nev.
519	Boulder Dam, power plant and appurtenant works	3/4/31	Denver, Colo.
505–D	Apparatus for water purification and sewage disposal plants, Boulder City.	2/25/31	do.
505–D	Apparatus for water purification and sewage disposal plants, Boulder City.	2/25/31	do.
514–D	High pressure pipe line materials for Boulder City water supply	4/1/31	do.
507–D	Six three-room and six four-room brick residences at Boulder City	3/13/31	Las Vegas, Nev.
507–D	Six three-room and six four-room brick residences at Boulder City	3/13/31	do.
515–D	Construction of Boulder City water pipe line	4/13/31	do.
517–D	Miscellaneous materials for water and sewer systems, Boulder City	4/21/31	Denver, Colo.
526–D	Excavation, grading and concrete foundations for administration and dormitory buildings.	6/17/31	Las Vegas, Nev.
521	Boulder City grading, paving, surfacing, curbs and gutters, sidewalks, sanitary sewers, and water distribution system.	6/30/31	do.
527–D	Six three-room and six four-room brick residences at Boulder City	7/15/31	do.
528–D	Excavation, grading, concrete foundation, and construction of municipal building and construction of dormitory and administration buildings.	8/10/31	do.
534–D	Water purification and sewage disposal plants	10/5/31	do.
540–D	One seven-room and three six-room brick residences at Boulder City	10/20/31	do.
543–D	Nine five-room brick residences at Boulder City	11/10/31	do.
544–D	Garage at Boulder City	11/23/31	do.
545–D	Seventeen three-room and twelve four-room frame residences at Boulder City.	12/4/31	do.
3333–A	Portland cement	1/5/32	Denver, Colo.
A–3020–A–1	Portland cement	9/26/32	do.
591–D	Portland cement	5/10/33	do.
599–D	Portland cement	9/8/33	do.
23047–A	Portland cement	12/4/33	do.
566	Portland cement	3/26/34	do.
625	Portland cement	8/30/34	do.
3333–A–1	Portland cement	1/5/32	do.
564–D	Thirty three-room frame residences of Boulder City	3/28/32	Boulder City.
566–D	Brick school building at Boulder City	4/18/32	do.
533	Bulkhead gate hoists	5/2/32	Denver, Colo.
533	Stoney gate hoists	5/2/32	do.
533	Bulkhead and stoney gates	5/2/32	do.
534	Plate steel outlet pipes	6/15/32	do.
A3031–C	Sacked cement	9/8/32	do.
A3020–A–1–1	Portland cement	9/26/32	do.
537	150-ton cableway	9/26/32	do.
541	Upper and lower cylinder gates for intake towers	1/27/33	do.
541	Upper and lower entrance liners for intake towers	1/27/33	do.
589–D	Butterfly valves and internal differential control valves for spillways	3/30/33	do.
540	Four turbines for power plant	2/3/33	do.
540	Governors for 115,000-hp. turbines	2/3/33	do.
540	65,000-hp. turbine for power plant	2/3/33	do.
593–D	Trashrack beam and seat plates for intake towers	6/13/33	do.
542	High pressure gates and conduit linings for upstream plug in tunnel No. 1.	7/20/33	do.
543	Generator for power plant	8/18/33	do.
543	do.	6/18/33	do.
543	do.	8/18/33	do.
544	Butterfly valves for power plant	8/25/33	do.
547	Trashracks for intake towers	10/16/33	do.
545	Turbines and governors for power plant	9/12/33	do.
548	Drumgates and drumgate control mechanisms for spillways	11/15/33	do.
553	Generator—oil circuit breakers	12/5/33	do.
555	Automatic electric elevators for canyon wall valve house	12/18/33	do.
549	Overhead traveling cranes for power plant	11/17/33	do.
562	Emergency gates and needle valves for canyon wall outlet works	2/5/34	do.
608–D	150-ton cableway car transfer cradle	2/19/34	do.
608–D	84-inch needle valve discharge guides	2/19/34	do.

[1] As required.

CONTRACTS — BOULDER CANYON PROJECT

Awarded to—			Contract				
Schedule No.	Name	Address	Number	Date	Amount	No. of days	Completed
4	Aerotopograph Corporation of America.	Washington, D. C.	I2r-2401	7/7/30	$10,750.00	40	12/2/30
7 and 10	Brock & Weymouth, Inc.	Philadelphia, Pa.	I2r-2417	7/7/30	15,000.00	40	1/22/31
A11	Nenada-California Power Co.—Southern Sierra Power Co.	Riverside, Calif.	I2r-620	10/20/30	1,730,000.00	240	10/31/36
4, 5 and 6	General Construction Co	Seattle, Wash.	I2r-2565	1/23/31	329,917.	15 1	407/31/3
A11	Lacy Manufacturing Co	Los Angeles, Calif.	I2r-2577	1/24/31	21,050.00	100	5/4/31
do	Lewis Construction Co	Los Angeles, Calif.	I2r-2581	1/28/31	455,509.50	200	9/1/31
do	Six Companies, Inc	San Francisco, Calif.	I1r-633	3/11/31	48,890,995.50	2565	2/29/36
1, 2, 3, 4, and 5.	The Dorr Co	Denver, Colo.	I2r-2648	3/31/31	25,169.00	60	5/29/31
6, 7, 10, 11 and 12.	International Filter Co	Chicago, Ill.	I2r-2660	3/31/31	6,960.00	60	7/30/31
4	Thomas Haverty Co	Los Angeles, Calif.	I2r-2654	4/9/31	20,046.99	20	5/11/31
5 and 11	W. W. Dickerson	Lehi, Utah	I2r-2675	4/10/31	12,655.50	120	10/10/31
17 and 23	Louis J. Bowers	Salt Lake City, Utah	I2r-2649	4/10/31	10,363.11	120	11/10/31
A11	Wheelwright Construction Co	Ogden, Utah	I2r-2670	4/17/31	38,452.70	60	9/8/31
5, 11, 12 and 16.	Crane O'Fallon Co	Denver, Colo.	I2r-2772	5/23/31	6,189.19	30	6/19/31
2	Storm & Mahoney, Inc.	Romona, Calif.	I33r-44	6/20/31	29,485.00	70	9/16/31
A11	New Mexico Construction Co	Albuquerque, N. Mex.	I2r-2820	7/27/31	273,972.00	210	5/18/32
do	Louis J. Bowers	Salt Lake City, Utah	I2r-2823	7/30/31	18,916.20	100	11/25/31
do	B. O. Siegfus	Salt Lake City, Utah	I2r-2841	8/15/31	46,253.00	120	1/11/32
do	Stearns-Roger Manufacturing Co	Denver, Colo.	I2r-2906	10/10/31	37,930.00	120	2/13/32
do	Ferman W. Riddle	Los Angeles, Calif.	I2r-2934	10/26/31	10,913.50	100	3/7/32
do	Bay & Morrill	Junction, Utah	I2r-2963	11/21/31	16,143.00	120	4/17/32
do	White & Alter	Elko, Nev.	I2r-2977	11/30/31	5,150.00	90	3/28/32
do	C. F. Bengston & Son	Las Vegas, Nev.	I2r-3005	12/18/31	11,905.75	150	7/10/32
do			I2r-3086	2/10/32	437,700.00	(1)	10/26/32
do	Riverside Cement Co.		I2r-3389	10/3/32	412,300.00	(1)	8/17/33
do	California Portland Cement Co.		I2r-3581	6/9/33	560,000.00	(1)	10/16/33
do	Southwestern Portland Cement Co.	Los Angeles, Calif.	I2r-3683	9/18/33	1,460,000.00	(1)	2/13/34
do	Monolith Portland Cement Co.		23047-A	12/16/33	448,000.00	(1)	4/11/34
do			I2r-4057	4/19/34	2,086,000.00	(1)	9/19/34
1			I2r-4417	9/28/34	596,000.00	(1)	5/16/35
A11	Union Portland Cement Co	Denver, Colo.	3333-A-1	2/10/32	44,800.00	(1)	10/10/32
do	De Camp-Hudson Co., Ltd.	Los Angeles, Calif.	I2r-3044	4/4/32	9,053.10	120	8/18/32
do	I. M. Bay	Junction, Utah	I2r-3193	5/2/32	12,441.00	100	9/8/32
3	Hardie-Tynes Manufacturing Co.	Birmingham, Ala.	I2r-3200	5/20/32	60,395.00	150	10/20/32
4	Reading Iron Co	Reading, Pa.	I2r-3201	5/20/32	32,500.00	150	11/1/32
1 and 2	Consolidated Steel Corp	Los Angeles, Calif.	I2r-3239	6/11/32	233,200.00	60	11/23/32
A11	The Babcock & Wilcox Co	New York, N. Y.	I2r-3286	7/9/32	10,908,000.00	1975	9/15/36
do	Riverside Cement Co	Los Angeles, Calif.	A3031-C	9/22/32	80,000.00	(1)	1/22/35
do	Union Portland Cement Co	Denver, Colo.	A3020-A-1-1	10/7/32	69,200.00	(1)	7/18/33
do	Lidgerwood Manufacturing Co.	Elizabeth, N. J.	I2r-3404	10/10/32	172,110.00	135	3/30/33
2	Westinghouse Electric & Manufacturing Co.	E. Pittsburgh, Pa.	I2r-3479	2/10/33	334,737.00	350	2/23/34
1	Goslin-Birmingham Manufacturing Co., Inc.	Birmingham, Ala.	I2r-3468	2/19/33	56,000.00	350	9/9/33
A11	Johnson City Foundry & Machine Co.	Johnson City, Tenn.	I2r-3531	4/13/33	17,000.00	120	7/12/33
1	Allis-Chalmers Manufacturing Co.	Denver, Colo.	I2r-3571	5/3/33	1,091,309.00	1435	1/13/40
5	Woodward Governor Co	Rockford, Ill.	I2r-3568	5/3/33	41,379.00	1435	1/2/36
3	Newport News Shipbuilding & Dry Dock Co.	New York, N. Y.	I2r-3610	6/14/33	128,714.00	1070	4/16/35
do	Pacific Car & Foundry Co	Seattle, Wash.	I2r-3608	6/30/33	13,980.00	150	11/16/33
1	Joshua Hendy Iron Works	San Francisco, Calif.	I2r-3625	7/28/33	105,989.00	150	11/23/33
3	Allis-Chalmers Manufacturing Co.	Denver, Colo.	I2r-3714	9/29/33	244,338.00	515	3/4/36
1	General Electric Co	do	I2r-3726	9/29/33	1,287,461.00	1110	9/3/37
1	Westinghouse Electric & Manufacturing Co	do	I2r-3719	9/29/33	1,332,540.00	1110	6/23/37
1	Hardie-Tynes Manufacturing Co.	Birmingham, Ala.	I2r-3780	10/24/33	269,500.00	600	2/27/36
1	Ingalls Iron Works Co	do	I2r-3760	11/20/33	163,500.00	300	5/19/34
1	Pelton Water Wheel Co	San Francisco, Calif.	I2r-3804	11/20/33	64,735.00	270	8/14/35
1	Consolidated Steel Corp	Los Angeles, Calif.	I2r-3816	12/13/33	181,500.00	180	6/8/34
1 and 3	Allis-Chalmers Manufacturing Co.	Denver, Colo.	I2r-3923	1/5/34	351,460.00	60	9/20/35
1	The Haughton Elevator & Machine Co.	Toledo, Ohio	I2r-3853	1/16/34	20,627.00	195	1/31/36
1	Harnischfeger Sales Corp	Milwaukee, Wis.	I2r-4004	3/5/34	152,000.00	590	3/16/35
A11	Hardie-Tynes Manufacturing Co.	Birmingham, Ala.	I2r-3960	3/8/34	500,000.00	200	5/13/35
4	John W. Beam	Denver, Colo.	I2r-3949	3/12/34	4,500.00	40	4/12/34
3	American Locomotive Co	Schenectady, N. Y.	I2r-3963	3/13/34	14,879.00	60	6/5/34

PRINCIPAL CONSTRUCTION AND MATERIALS

Specs. No.	For	Bids opened	
		Date	Place
566	Portland cement	3/26/34	do
567	Structural steel for power plant	4/5/34	do
567	Crane girders and appurtenant parts for butterfly valve galleries	4/5/34	do
612-D	Steel liners for power house turbine pressure regulators	4/23/34	Denver, Colo
565	Power transformers	3/9/34	Boulder City
611-D	Spiral stairways and platforms	4/14/34	do
565	Horizontal alternating current generators for power plant	3/9/34	do
571	Cranes and hoists	6/18/34	do
582	Aluminum metal-sash windows and equipment	8/27/34	do
625	Portland cement	8/30/34	do
583	Portable transformer track for power plant	8/20/34	do
583	Roof drain walkways and ladders, and miscellaneous ladders for power plant.	8/20/34	do
583	Hatch frames and covers, structural steel and rails for turbine gallery crane runway.	8/20/34	do
629-D	Crane rails and accessories for power plant	10/15/34	do
635-D	Miscellaneous steel for power plant	11/16/34	do
631-D	Automatic telephone apparatus	10/22/34	do
633-D	Station service penstock for power plant	11/19/31	Denver, Colo
634-D	Structural steel for intake tower bridges	11/19/34	do
630-D	Ventilating and air cooling equipment for power plant	11/1/34	do
630-D	Ventilating and air cooling equipment for power plant	11/1/34	do
595	Air compressors and receivers	10/15/34	do
595	Water jet eductors	10/15/34	do
589	287.5-kilovolt disconnecting switches for power plant	10/10/34	do
589	2300-volt switching equipment for power plant	10/10/34	do
589	23,000-volt bus structure for power plant	10/10/34	do
589	287.5-kilovolt lightning arresters	10/10/34	do
589	287.5-kilovolt oil circuit breakers and generator-neutral reactors	10/10/34	do
592	Station service power and lighting transformers	10/15/34	do
604	Bulkhead gates for intake towers	12/27/34	do
604	Cylindrical gate hoists for intake towers	12/27/34	do
610	30-inch sphere valves for station service penstock	1/24/35	do
648-D	Bulkhead gates for turbine draft tubes	1/28/35	do
654-D	Deep well turbine pumping units for dam and power plant	2/6/35	do
609	Control cable supports for power plant	2/7/35	do
647-D	Oil purifiers and appurtenances for power plant	1/28/35	do
612	Automatic electric elevators for dam and power plant	2/25/35	do
655-D	High potential test set and dielectric testing equipment for power plant	2/11/35	do
662-D	Turbine gallery crane for power plant	2/30/35	do
668-D	Storage batteries for power plant	3/25/35	do
620	86-inch paradox emergency gates for tunnel plug outlet works	4/15/35	do
617	Overhead revolving cranes for intake towers	4/12/35	do
601	Main control equipment and clock supply power equipment	1/21/35	do
601	Miscellaneous 23,000-volt and 16,300-volt switching equipment	1/21/35	do
601	Battery charging sets, battery control switchboard and 250-volt direct current distribution switchboards.	1/21/35	do
677-D	Drain piping and appurtenances for roof drainage system for power plant	5/3/35	do
674-D	Luminaries for Boulder Dam	4/27/35	do
651	Aluminum metal rolling doors	2/4/35	do
682-D	Sump and drainage pumping units for tunnel plug outlet works	5/15/35	do
675-D	Hydraulic control board and position transmitters for power plant	5/2/35	do
680-D	Discharge guides for 72-inch needle valves for tunnel plug outlet works	5/16/35	do
678-D	Penstock bulkheads and bulkhead flange bolts for penstocks for future units.	5/20/35	do
625	Metal doors, railings and structural and architectural metal work	5/5/35	do
625	All-steel pipe railings	6/6/35	do
697-D	Oil storage tanks and appurtenances	7/1/35	do
705-D	Miscellaneous metal work for power plant	7/26/35	do
699-D	Miscellaneous metal work for power plant	7/15/35	do
629	Butterfly valves and butterfly valve bulkheads	7/2/35	do
601	460-volt and 115-volt alternating current control equipment	1/21/35	do
634	Transmission towers and switchyard structures of circuits Nos. 2, 4, and 5.	8/2/35	do
627	Fabricated pipe and fittings for power plant	7/8/35	do
627	Valves for power plant	7/8/35	do
627	Fabricated brass pipe and fittings	7/8/35	do
656-D	Carbon dioxide fire extinguishing equipment for power plant	2/14/35	do
701-D	Generator—oil circuit breakers	8/8/35	do
701-D	Current-limiting reactor and 138,000-volt lightning arrester	8/8/35	do

As required.

CONTRACTS — BOULDER CANYON PROJECT

Awarded to—			Contract				
Schedule No.	Name	Address	Number	Date	Amount	No. of days	Completed
A11	Union Portland Cement Co	Denver, Colo	I2r-4032	4/19/34	126,440.00	(1)	11/18/34
1 and 3	American Bridge Co	do	I2r-4050	4/24/34	419,191.00	140	8/20/34
4	McClintic-Marshall Corp	Bethlehem, Pa	I2r-4053	4/24/34	7,030.00	30	5/25/34
A11	Consolidated Steel Corp., Ltd	Los Angeles, Calif	I2r-4075	5/16/34	11,808.00	60	7/16/34
do	General Electric Company	Denver, Colo	I2r-4237	5/16/34	904,830.00	60	11/19/35
2	The Ornamental Iron Work Co	Akron, Ohio	I2r-4068	5/19/34	11,557.00	60	7/21/34
1	Electric Machine Co	Minneapolis, Minn	I2r-5010	5/22/34	38,300.00	230	8/14/35
1	Shaw-Box Crane & Hoist Co	Muskegan, Mich	I2r-4320	8/9/34	46,090.00	120	8/12/36
1	The Kawneer Co	Niles, Mich	I2r-4416	9/21/34	107,023.00	100	2/7/35
2	Union Portland Cement Co	Denver, Colo	I2r-4422	9/28/34	301,100.00	(1)	12/7/35
3	Kansas City Structural Steel Co	Kansas City, Mo	I2r-4434	10/1/34	5,790.00	60	12/12/34
7	Mississippi Valley Structural Steel Co.	St. Louis, Mo	I2r-4437	10/1/34	5,080.00	60	11/30/34
1	Stupp Bros. Bridge & Iron Co	do	I2r-4446	10/1/34	21,710.00	60	11/30/34
A11	Lorain Steel Co	Denver, Colo	I2r-4543	11/5/34	12,591.00	45	1/10/35
1	Mississippi Valley Structural Steel Co.	St. Louis, Mo	I2r-4536	11/20/34	5,096.00	45	11/29/34
A11	Automatic Electric Co	Chicago, Ill	I2r-4549	11/22/34	17,233.62	120	3/21/35
1	The Babcock & Wilcox Co	New York, N. Y	I2r-4575	12/10/34	38,500.00	7	53/9/35
1	McClintic-Marshall Corp	Bethlehem, Pa	I2r-4596	12/24/34	23,150.00	30	3/19/35
1 and 4	American Blower Corp	Detroit, Mich	I2r-4682	12/27/34	8,330.00	30	5/3/35
6	English & Lauer, Inc	Los Angeles, Calif	I2r-4604	12/27/34	7,708.00	100	5/14/35
5	Pennsylvania Pump & Compressor Co.	Easton, Pa	I2r-4618	12/27/34	8,220.00	60	2/28/35
4	Schulte & Koerting Co	Philadelphia, Pa	I2r-4627	12/27/34	35,225.00	150	5/24/35
4	Bowie Switch Co	San Francisco, Calif	I2r-4662	1/4/35	105,217.54	200	8/1/35
1	Delta-Star Electric Co	Chicago, Ill	I2r-4655	1/4/35	109,200.55	150	7/25/35
5	I.T.E. Circuit Breaker Co	Philadelphia, Pa	I2r-4652	1/4/35	264,603.00	190	10/5/35
3	General Electric Co	Schenectady, N. Y	I2r-4675	1/5/35	34,320.00	120	12/13/36
2 and 3	Westinghouse Electric & Mfg. Co	Denver, Colo	I2r-4710	1/5/35	458,862.00	250	7/27/36
2 and 3	Moloney Electric Co	St. Louis, Mo	I2r-4689	1/11/35	30,281.00	75	3/30/35
1	Bethlehem Steel Co	Bethlehem, Pa	I2r-4665	1/12/35	17,500.00	75	7/18/35
1	Consolidated Steel Corp	Los Angeles, Calif	I2r-4639	1/12/35	203,500.00	120	5/14/35
1	Joshua Hendy Iron Works	San Francisco, Calif	I2r-4722	2/16/35	18,096.00	120	10/1/36
1	Mississippi Valley Structural Steel Co.	St. Louis, Mo	I2r-4716	2/16/35	12,992.00	60	4/18/35
1, 2 and 3	Victor Equipment Co	Los Angeles, Calif	I2r-4827	3/1/35	9,732.68	60	5/29/35
1	The Midwest Steel & Iron Works Co	Denver, Colo	I2r-4741	3/8/35	23,950.00	90	6/10/35
A11	The DeLaval Separator Co	Chicago, Ill	I2r-4826	3/15/35	13,050.00	100	7/2/35
do	Otis Elevator Co	San Francisco, Calif	I2r-4809	3/15/35	96,827.00	90	3/9/36
do	Westinghouse Electric & Mfg. Co	Denver, Colo	I2r-4920	3/25/35	9,640.00	120	9/30/35
do	Alliance Machine Co	Alliance, Ohio	I2r-4860	4/4/35	16,975.00	150	9/14/35
do	The Electric Storage Battery Co	Philadelphia, Pa	I2r-4918	4/26/35	8,550.57	150	2/27/36
1	Joshua Hendy Iron Works	San Francisco, Calif	I2r-4914	5/3/35	269,459.00	300	3/1/36
1	Judson-Pacific Co	do	I2r-4913	5/3/45	58,120.00	120	10/24/35
1 and 2	Westinghouse Electric & Manufacturing Co.	Denver, Colo	I2r-5389	5/13/35	216,161.00	240	6/23/36
5	The Wolfe & Mann Manufacturing Co.	Baltimore, Md	I2r-4976	5/13/35	10,319.00	150	10/12/35
3	Graybar Electric Co., Inc	Denver, Colo	I2r-5047	5/14/35	21,620.70	180	12/26/35
A11	Lacy Manufacturing Co	Los Angeles, Calif	I2r-4931	5/14/35	9,150.00	75	7/25/36
do	The New England Electric Co	Denver, Colo	I2r-4992	5/15/35	7,152.00	45	6/29/35
1	The Kinnear Mfg. Co	Columbus, Ohio	I2r-4960	5/23/35	38,007.00	120	9/19/35
A11	Bingham Pump Co	Portland, Oreg	I2r-4997	5/23/35	7,060.00	90	10/30/35
do	Square D Co., Inc	Los Angeles, Calif	I2r-5085	6/5/35	6,145.00	120	11/9/36
do	The Babcock & Wilcox Co	New York, N. Y	I2r-5086	6/12/35	18,000.00	120	10/7/35
1	Erie Forge Co	Erie, Pa	I2r-5063	6/12/35	33,639.00	30	10/30/15
1 and 3	General Bronze Corp	Long Island City, N. Y.	I2r-5112	7/3/35	95,765.00	120	3/13/36
2	North American Iron & Steel Co., Inc.	Brooklyn, N. Y	I2r-5113	7/3/35	5,585.00	120	11/21/35
A11	California Steel Products Co	San Francisco, Calif	I2r-5133	7/5/35	7,747.00	90	10/4/35
do	The Midwest Steel & Iron Works Co	Denver, Colo	I2r-5149	7/30/35	8,080.00	30	8/30/35
do	Omaha Steel Works	Omaha, Nebr	I2r-5151	7/31/35	6,000.00	30	9/25/35
1	Hardie-Tynes Manufacturing Co	Birmingham, Ala	I2r-5210	9/4/35	152,000.00	500	12/13/35
4	Cutler-Hammer, Inc	Milwaukee, Wis	I2r-5282	9/5/35	126,686.00	240	5/2/36
1 and 2	American Bridge Co	Pittsburgh, Pa	I2r-5199	9/7/35	69,218.00	90	2/10/36
3	Associated Piping & Engineering Co., Ltd.	Los Angeles, Calif	I2r-5275	9/7/35	41,190.00	120	10/24/36
1	The Greene-Wolfe Co., Inc	Brooklyn, N. Y	I2r-5252	9/7/35	12,230.00	60	11/7/35
5	Grinnell Co. of the Pacific	Los Angeles, Calif	I2r-5250	9/7/35	14,937.36	15	6/3/36
A11	C-O Two Equipment Co	Newark, N. J	I2r-5247	9/13/35	24,740.68	150	7/22/36
1	Allis-Chalmers Manufacturing Co	Denver, Colo	I2r-5328	9/21/35	36,983.00	120	1/22/36
2 and 4	General Electric Co	do	I2r-5302	9/21/35	9,920.00	120	2/11/36

PRINCIPAL CONSTRUCTION AND MATERIALS

Specs. No.	For	Bids opened	
		Date	Place
701–D	Generator voltage lightning arresters and capacitors	8/8/35	do
640	Structural steel supports and gratings for tunnel walkways	8/29/35	do
687–D	Insulated cable and telephone wire	5/27/35	do
	Sculpture work for Boulder Dam		do
628	72-inch needle valves and drilling templates for tunnel plug outlet works	6/5/35	do
717–D	Towboat for Boulder reservoir	9/9/35	do
727–D	Miscellaneous metal work for power plant	10/17/35	do
639	Turbines for units N–5 and N–6	9/9/35	do
639	Governors for units N–5 and N–6	9/9/35	do
638	Generators for units N–5 and N–6	9/9/35	do
729–D	Pipe, fittings, valves, and appurtenances	10/21/35	do
736–D	Pipe, fittings, valves, and appurtenances for relocation of Boulder City water line.	11/7/35	do
728–D	Insulator hardware and conductor fittings for 287.5-kilovolt switchyard	10/18/35	do
642	Terrazzo work for dam and power plant	10/28/35	Boulder City
750–D	Pipe and fittings for unit A–8	12/9/35	Denver, Colo
755–D	Six exhaust fans for ventilating system	1/2/36	do
753–D	Pipe and fittings, except valves, for headers on Arizona wing, power plant	12/23/35	do
754–D	Motor operated gate valves	12/30/35	do
755–D	Ventilating duct system, without fans	1/2/36	do
744–D	Oil circuit breaker for power plant	11/29/35	do
763–D	Miscellaneous metal work and transite conduit for power plant	2/30/36	do
768–D	Pipe, fittings, valves, and appurtenances	3/26/36	do
759–D	Insulated cable for power plant	1/31/36	do
759–D	Insulated cable	1/31/36	do
786–D	Pipe and fittings for Arizona adits	4/21/36	do
778–D	Sheet-metal housing for power plant	4/9/36	Boulder City
771–D	Diverter towers and capacitor supports for Boulder switchyard	3/30/36	Denver, Colo
780–D	Rubber tile floor covering	4/11/36	Boulder City
779–D	Structural glass work	4/10/36	do
782–D	Manual telephone apparatus for power plant	4/20/36	Denver, Colo
676	Handrails, etc. for walkways, stairs and ladders for lower tunnels	4/6/36	do
676	Open gratings with fasteners for walkways, stairs and ladders for lower tunnels.	4/6/36	do
798–D	Bus structure, lightning arresters, supports, and disconnecting switch structures for Boulder switchyard.	6/11/36	do
676	Structural steel supports for tunnel walkways for lower tunnels	4/6/36	do
687	30-inch sphere valves for station service penstocks	6/15/36	do
680	Power transformers for units N–5 anb N–6	5/18/36	do
821–D	Steel partitions, doors, stairs, and structural and architectural metal work for power plant.	8/24/36	do
806–D	Granite base for flagpole	9/8/36	Washington, D. C.
830–D	Gasoline locomotive	9/15/36	Denver, Colo
813–D	Electrical apparatus for power plant	7/22/36	do
820–D	Milling machine and tool and cutter grinder	8/20/36	do
839–D	Transformers for power plant and Boulder City	10/19/36	do
845–D	Tractor	10/1/36	do
845–D	Power shovel	10/21/36	do
839–D	Oil circuit breakers for power plant	10/19/36	do
803–D	Bronze winged figures	11/24/36	Washington, D. C.
703	Generator voltage oil circuit breakers	11/30/36	Denver, Colo
703	23,000-volt bus structure and generator neutral grounding reactor and oil circuit breaker.	11/30/36	do
867–D	Auto-transformers and metering equipment	1/27/37	do
877–D	Metal work for concrete mixing plant	2/15/37	do
892–A	Cylindrical bulkheads for relief valves	3/26/37	do
881–D	Carbon-dioxide fire extinguishing equipment for units N–5 and N–6	3/4/37	do
720	Oil circuit breakers and lightning arresters	3/3/37	do
730	Oil circuit breaker for power plant	5/3/37	do
730	230-kilovolt disconnecting switches for power plant	5/3/37	do
734	Hydraulic turbines and governors for units A–6 and A–7	6/7/37	do
733	Power transformers and Peterson coil for units A–6 and A–7	6/1/37	do
727	Disconnecting switches for power plant	6/14/37	do
727	Oil circuit breaker for power plant	6/14/37	do
727	Transformers for power plant	6/14/37	do

CONTRACTS — BOULDER CANYON PROJECT

Awarded to—			Contract				
Schedule No.	Name	Address	Number	Date	Amount	No. of days	Completed
3	Westinghouse Electric & Manufacturing Co.	do	I2r-5360	9/21/35	5,498.00	120	1/17/36
1	Reliance Steel Products Co	Rankin, Pa	I2r-5308	10/4/35	26,460.00	90	1/18/36
All	General Cable Corp	Chicago, Ill	I2r-5392	10/11/35	79,044.72	60	11/29/35
do	Hansen, Oskar J. W	do	I2r-5304	10/12/35	10,000.00	120	12/22/37
do	Thomas Spacing Machine Co	Pittsburgh, Pa	I2r-5337	10/17/35	214,100.00	310	4/5/37
1	Tregoning Boat Co	Seattle, Wash	I2r-5331	10/17/35	17,250.00	120	2/6/36
1	Worden-Allen Co	Milwaukee, Wis	I2r-5366	10/25/35	6,778.00	40	12/21/35
1	Pelton Water Wheel Co	San Francisco, Calif.	I2r-5472	11/4/35	583,314.50	590	6/29/37
2	Woodward Governor Co	Rockford, Ill	I2r-5456	11/4/35	30,500.00	590	2/9/37
All	General Electric Co	Schenectady, N. Y.	I2r-5641	11/8/35	1,346,090.00	750	11/7/38
1	Associated Piping & Engineering Co., Ltd.	Los Angeles, Calif.	I2r-5441	11/14/35	17,800.00	45	1/8/36
All	Grinnell Co. of the Pacific	do	I2r-5433	11/15/35	6,196.75	45	1/9/36
1 and 3	General Electric Supply Corp	do	I2r-5623	11/20/35	5,907.41	60	2/11/36
All	J. B. Martina Mosaic Co	Denver, Colo	I2r-5451	11/25/35	51,717.75	180	4/23/37
1 and 2	Standard Sanitary Mfg. Co	do	I2r-5642	12/31/35	7,585.00	30	9/12/36
3 and 4	American Blower Corp	Detroit Mich	I2r-5670	1/20/36	2,869.00	120	5/8/36
All	Crane O'Fallon Co	Denver, Colo	I2r-5685	1/28/36	6,979.00	30	2/28/36
2	Chapman Valve Mfg. Co	Indian Orchard, Mass.	I2r-5761	2/5/36	17,688.00	45	3/27/36
2	The Electric Ventilation & Engineering Co., Inc.	New York, N. Y	I2r-5976	2/27/36	20,647.00	120	6/24/36
1	Pacific Electric Manufacturing Co	San Francisco, Calif.	I2r-5829	2/27/36	13,932.00	150	8/9/36
All	Lakeside Bridge & Steel Co	Milwaukee, Wis	I2r-5826	3/3/36	8,277.00	60	5/8/36
do	Associated Piping & Engineering Co., Ltd.	Los Angeles, Calif.	I2r-5997	4/3/36	6,016.00	10	8/4/36
1 and 3	Lavenson and Savasta	San Francisco, Calif.	I2r-5975	4/10/36	8,842.00	45	5/18/36
2 and 4	Simplex Wire & Cable Co	Boston, Mass	I2r-6075	4/11/36	116,892.00	60	5/25/36
All	Crane O'Fallon Co	Denver, Colo	I2r-6015	4/28/36	5,395.00	30	1/14/37
1	Rees Blon Pipe Manufacturing Co., Inc.	Los Angeles, Calif.	I2r-6221	4/30/36	6,500.00	180	10/17/36
All	International Derrick & Equipment Co. of California.	Torrence, Calif	I2r-6073	5/7/36	15,700.00	60	7/18/36
1	L. D. Reeder Co	Los Angeles, Calif.	I2r-6084	5/7/36	6,500.00	75	3/31/37
1	Sanitary Construction Co	Indianapolis, Ind	I2r-6153	5/25/36	12,700.00	120	7/28/37
All	American Automatic Electric Sales Co.	Chicago, Ill	I2r-6235	6/3/36	10,668.60	120	10/20/36
do	Crane O'Fallon Co	Denver, Colo	I2r-6133	6/6/36	6,357.00	120	9/29/36
do	Blaw-Knox Co	Pittsburgh, Pa	I2r-6247	6/17/36	13,383.00	30	10/16/36
do	American Bridge Co	Denver, Colo	I2r-6255	6/18/36	6,485.00	60	6/18/36
1	Hansell-Elcock Co	Chicago, Ill	I2r-6270	6/30/36	16,000.00	90	11/3/36
All	S. Morgan Smith Co	York, Pa	I2r-6345	7/14/36	36,000.00	180	5/13/37
1 and 2	Westinghouse Electric & Manufacturing Co.	Denver, Colo	I2r-6362	7/14/36	394,347.00	310	1/24/37
All	The Kawneer Co	Niles, Mich	I2r-6464	9/3/36	6,890.00	120	3/13/37
do	Pacific Art Stone and Granite Co	Alhambra, Calif	I-S-2621	9/30/36	23,987.00	90	6/3/37
do	Davenport Besler Corp	Davenport, Iowa	I2r-6603	10/8/36	12,363.33	50	11/30/36
do	General Electric Co	Schenectady, N. Y.	I2r-6613	10/9/36	13,629.48	70	11/10/36
4	The Mine & Smelter Supply Co	Denver, Colo	I2r-6635	10/20/36	6,673.30	90	12/24/36
1	Standard Transformer Co	Warren, Ohio	I2r-6690	11/3/36	7,165.00	45	12/19/36
All	Caterpillar Tractor Co	Peoria, Ill	I2r-6681	11/5/36	7,245.00	14	11/23/36
do	Harnischfeger Corp	Milwaukee, Wis	I2r-6708	11/17/36	11,320.00	20	12/29/36
3	Pacific Electric Manufacturing Co	San Francisco, Calif.	I2r-6712	11/17/36	6,100.00	60	1/15/37
All	General Bronze Corp	Long Island City, N. Y.	I-S-2651	12/3/36	22,180.00	330	10/25/37
3	Allis-Chalmers Manufacturing Co	Milwaukee, Wis	I2r-7013	1/15/37	114,590.00	250	1/27/38
1 and 2	Westinghouse Electric & Manufacturing Co.	Denver, Colo	I2r-7225	1/28/37	118,673.00	200	8/28/37
1 and 4	Westinghouse Electric & Manufacturing Co.	do	I2r-7285	2/17/37	28,441.00	60	6/17/37
All	Pittsburgh Des Moines Steel Co	Des Moines, Iowa	I2r-7042	3/4/37	5,963.00	20	5/29/37
do	Emsco Derrick & Equipment Co	Los Angeles, Calif.	I2r-7144	3/30/37	5,820.00	60	7/9/37
do	C-O-Two Equipment Co	Newark, N. J	I2r-7241	4/8/37	5,569.00	60	10/18/37
1 and 3	Westinghouse Electric & Manufacturing Co.	Denver, Colo	I2r-7390	4/23/37	114,340.00	2001	1/13/7
1	General Electric Co	Schenectady, N. Y.	I2r-7517	7/1/37	161,955.00	200	4/13/39
2 and 3	Pacific Electric Manufacturing Co	San Francisco, Calif.	I2r-7521	7/21/37	97,801.80	200	4/1/38
All	Allis-Chalmers Manufacturing Co	Milwaukee, Wis	I2r-7585	7/23/37	1,035,375.00	625	3/24/39
do	General Electric Co	Schenectady, N. Y.	I2r-7586	7/23/37	701,998.00	630	9/22/38
4	Delta Star Electric Co	Chicago, Ill	I2r-7580	7/27/37	6,423.00	75	10/11/37
2	Pacific Electric Manufacturing Co	San Francisco, Calif.	I2r-7566	7/27/37	19,240.00	130	12/3/37
1	Pennsylvania Transformer Co	Pittsburgh, Pa	I2r-7518	7/27/37	45,710.00	170	3/11/38

PRINCIPAL CONSTRUCTION AND MATERIALS

Specs. No.	For	Bids opened	
		Date	Place
732	Generators for units A–6 and A–7	6/14/37	do
942–D	Surfacing Black Canyon highway and adjacent parking areas	7/7/37	Boulder City
951–D	Plate steel inlet pipes	7/29/37	Denver, Colo.
736	Control boards, power boards and miscellaneous equipment for power plant.	6/21/37	do
736	Main control equipment	6/21/37	do
970–D	Transmission towers and switchyard structure for Pioche transmission circuit and switching station.	9/17/37	do
959–D	Insulated cable for power plant	9/2/37	do
960–D	230-kilovolt, 3 phase, outdoor-type, lightning arresters for power plant	9/7/37	do
960–D	230-kilovolt, disconnecting switches for power plant	9/7/37	do
749	168-inch butterfly valves	10/4/37	do
978–D	Water jet eductors	10/15/37	do
988–D	Cable racks and supports for power plant	11/26/37	do
989–D	Supporting structures for Southern California Edison switching station and transmission circuits.	11/29/37	do
750	23,000-volt bus structures for power plant	10/25/37	do
1002–D	Supporting structures	1/3/38	do
756	Battery distribution board and auxiliary power control equipment	12/21/37	do
756	Main and auxiliary control equipment	12/21/37	do
1031–D	Supporting structures for Metropolitan Water District and Southern California Edison Co. transformer circuits.	2/2/38	do
1030–D	Valves for N–5 and N–6	2/17/38	do
1041–D	Transmission towers	3/1/38	do
1027–D	Carrier current telephone apparatus	2/14/38	do
1030–D	Fabricated pipe and fittings for units N–5 and N–6	2/27/38	do
1036–D	Bus structure for Metropolitan Water District switchyard	2/18/38	do
1051–D	Transmission towers for Southern California Edison	4/1/38	do
1044–D	15½-inch butterfly valves	3/18/38	do
1066–D	Coupling capacitors, transformers and carrier line traps	5/23/38	do
1081–D	Water jet eductors	6/24/38	do
1126–D	Boring mill	10/5/38	do
1141–D	Pipe, fittings and valves for A–6 and A–7	11/30/38	do
1141–D	Fabricated pipe and fittings	11/30/38	do
818	Power transformers for units A–1 and A–2	1/3/39	do
1166–D	Plate steel turbine inlet pipes	1/19/39	do
817	287.5-kilovolt disconnecting switches for power plant	1/10/39	do
817	Oil circuit breakers and lightning arresters	1/10/39	do
1187–D	Bus structure extension—City of Los Angeles switchyard	2/27/39	do
833	168-inch butterfly valves	4/3/39	do
834	Generators for units A–1 and A–2	3/27/39	do
1223–D	Sine-wave generator set and testing equipment	5/5/39	do
852	Generator, neutral oil circuit breakers	7/5/39	do
1233–D	Portland cement	5/17/39	Washington, D. C.
1257–D	Supporting structures for City of Los Angeles transfer circuit No. 3	7/17/39	Denver, Colo.
852	Generator voltage oil circuit breakers	7/5/39	do
852	23,000-volt bus structure for power plant	7/5/39	do
852	23,000-volt bus structure for power plant	7/5/39	do
835	Hydraulic turbines for units A–1 and A–2	5/15/39	do
1263–D	Transmission towers for City of Los Angeles transformer circuit No. 3	8/8/39	do
1287–D	Metal partitions, doors, railings, and architectural metal work	8/28/39	do
878	Automatic oscillographs	11/16/39	do
878	Four, 460-volt, 3-pole, single-throw, air circuit breakers for units A–1 and A–2.	11/16/39	do
1316–D	Metal window louvers for power plant	1/4/40	do
1328–D	Anchor jacks for 13-foot penstocks	2/20/40	do
878	Main and auxiliary control equipment, battery distribution switchboard and auxiliary power control equipment.	11/16/39	do
894	Construction of high school building	3/7/40	Boulder City
1343–D	Motorboat	4/4/40	Denver, Colo.
900	Power transformers for bank "Y"	4/29/40[1]	do
900	Current-limiting reactor assembly	4/29/40	do
917	Turbine and pressure regulator for unit A–5	7/17/40	do
917	Governor for unit A–5	7/17/40	do
923	Generator for unit A–5	8/6/40	do
1415–D	Turbine inlet pipes for units A–1 and A–2	8/12/40	do
1419–D	Anchor jacks for outlet pipes	9/2/40	do

[1] As required.

CONTRACTS — BOULDER CANYON PROJECT

Awarded to—			Contract				
Schedule No.	Name	Address	Number	Date	Amount	No. of days	Completed
1	Westinghouse Electric & Manufacturing Co.	Denver, Colo.	I2r-7679	7/27/37	1,506,665.00	800	9/7/39
All	E. L. Yeager	Riverside, Calif.	I2r-7578	8/10/37	44,246.00	60	11/8/37
do	Consolidated Steel Corp	Los Angeles, Calif.	I2r-7634	8/14/37	14,721.00	120	5/13/38
2	NePage McKenny Co	Seattle, Wash.	I2r-7748	9/3/37	18,223.00	200	3/29/38
1	Westinghouse Electric & Manufacturing Co.	Denver, Colo.	I2r-7721	9/3/37	48,152.00	200	4/21/38
All	Bethlehem Steel Co	Bethlehem, Pa.	I2r-7850	10/11/37	12,700.00	751	2/29/37
do	Eagle Electric Supply Co., Inc	Boston, Mass.	I2r-7890	10/14/37	43,658.99	45	12/1/37
2	General Electric Co	Schenectady, N. Y.	I2r-7013	10/18/37	17,160.00	150	3/24/38
1	Pacific Electric Manufacturing Co.	San Francisco, Calif.	I2r-7886	10/18/37	16,353.00	150	4/1/38
1	Hardie-Tynes Manufacturing Co.	Birmingham, Ala.	I2r-7910	10/27/37	298,960.00	500	1/16/39
2	Schulte & Koerting Co	Philadelphia, Pa.	I2r-8203	10/28/37	9,650.00	210	4/27/38
All	TheMidwest Steel & Iron Works Co.	Denver, Colo.	I2r-8006	12/1/37	5,888.00	40	1/12/38
1	Lehigh Structural Steel Co	New York, N. Y.	I2r-8264	12/7/37	6,410.00	60	2/9/38
1 and 3	I.T.E. Circuit Breaker Co	Philadelphia, Pa.	I2r-8107	12/23/37	80,355.00	200	6/30/38
All	International Derrick & Equipment Co. of California.	Torrence, Calif.	I2r-8202	1/14/38	6,505.00	60	3/17/38
3	Cutler-Hammer, Inc	Milwaukee, Wis.	I2r-8372	2/4/38	18,812.00	200	8/26/38
1	Westinghouse Electric & Manufacturing Co.	Denver, Colo.	I2r-8266	2/4/38	53,294.00	200	8/28/38
A	American Bridge Co	do	I2r-8306	2/21/38	5,684.00	50	4/13/38
1	Ohio Injector Co	Los Angeles, Calif.	I2r-8383	2/28/38	7,842.22	45	4/9/38
1	International Derrick & Equipment Co. of California.	Torrence, Calif.	I2r-8349	3/3/38	7,260.00	45	4/28/38
All	General Electric Co	Schenectady, N. Y.	I2r-8359	3/4/38	10,271.00	120	6/27/38
do	Crane O'Fallon Co	Denver, Colo.	I2r-8385	3/14/38	23,460.00	45	4/28/38
do	American Bridge Co	do	I2r-8418	3/15/38	10,550.00	45	4/28/38
do	Bethlehem Steel Co	San Francisco, Calif.	I2r-8513	4/29/38	17,660.00	90	7/15/38
do	Valley Iron Works	Yakima, Wash.	I2r-8536	4/29/38	18,631.00	190	11/4/38
do	General Electric Co	Schenectady, N. Y.	I2r-8667	6/15/38	9,900.00	120	10/11/38
2	Schulte & Koerting Co	Philadelphia, Pa.	I2r-9108	8/3/38	9,650.00	200	2/16/38
All	Hendrie & Bolthoff Mfg. & Supply Co.	Denver, Colo.	I2r-9410	11/28/38	46,000.00	180	6/20/39
1	Geo. B. Limbert and Co	Chicago, Ill.	I2r-9493	12/12/38	7,850.00	45	1/25/39
All	Associated Piping & Engineering Co., Ltd.	Los Angeles, Calif.	I2r-9532	12/27/38	15,800.00	45	4/11/39
do	General Electric Co	Schenectady, N. Y.	I2r-9776	2/9/39	376,350.00	250	10/28/39
do	Consolidated Steel Corp	Los Angeles, Calif.	I2r-9702	2/10/39	18,155.00	90	7/21/39
2	Bowie Switch Co	San Francisco, Calif.	I2r-9923	3/7/39	59,100.00	240	11/1/39
1 and 3	General Electric Co	Schenectady, N. Y.	I2r-10123	3/7/39	262,775.00	240	10/17/39
All	International Derrick & Equipment Co. of California.	Torrence, Calif.	I2r-9881	3/18/39	19,744.00	65	5/17/39
do	Hardie-Tynes Manufacturing Co.	Birmingham, Ala.	I2r-10038	4/28/39	225,000.00	500	7/26/40
do	Westinghouse Electric & Mfg. Co.	Denver, Colo.	I2r-10122	5/3/39	1,454,700.00	1130	7/10/42
do	General Electric Co	Schenectady, N. Y.	I2r-10085	5/22/39	5,058.00	120	11/28/3
4	Westinghouse Electric & Mfg. Co.	Denver, Colo.	I2r-10534	6/2/39	12,923.00	365	7/25/40
All	California Portland Cement Co.	Los Angeles, Calif.	Tps-294816	7/7/39	16,800.00	(1)	9/10/40
do	American Bridge Co	Denver, Colo.	I2r-10377	7/31/39	6,042.00	45	9/15/39
5 and 6	Allis-Chalmers Manufacturing Co.	Milwaukee, Wis.	I2r-10453	8/2/39	647,942.00	365	11/27/40
2 and 3	I.T.E. Circuit Breaker Co	Philadelphia, Pa.	I2r-10537	8/2/39	211,970.00	300	5/15/40
1	Railway and Industrial Engr. Co.	Greensburg, Pa.	I2r-10472	8/2/39	370,000.00	250	2/29/40
1 and 2	Baldwin-Southwark Corp	Eddystone, Pa.	I2r-10642	8/5/39	905,060.00	1030	10/31/41
All	Tulsa Boiler & Machinery	Tulsa, Okla.	I2r-10527	8/19/39	5,529.00	50	10/9/39
do	A. J. Bayer	Los Angeles, Calif.	I2r-10682	10/2/39	5,450.00	120	3/9/40
2	General Electric Co	Schenectady, N. Y.	I2r-11085	11/24/39	5,277.25	200	1/29/40
4	Roller-Smith Co	Bethlehem, Pa.	I2r-10897	11/24/39	5,152.00	200	6/4/40
All	Acme Ornamental Metal Works	Seattle, Wash.	I2r-11065	1/16/40	4,750.00	120	6/15/40
do	Arthur J. O'Leary & Son Co	Chicago, Ill.	I2r-11200	2/28/40	6,590.00	150	6/24/40
1 and 3	Westinghouse Electric & Manufacturing Co.	Denver, Colo.	I2r-11401	3/23/40	75,345.00	200	4/21/41
All	White & Alter	Elko, Nev.	I2r-11301	4/3/40	50,444.20	150	9/26/40
do	Robinson Marine Construction Co.	Benton Harbor, Mich.	I2r-12659	6/25/40	14,176.35	120	7/18/41
do	Moloney Electric Co	St. Louis, Mo.	I2r-11669	6/28/40	91,700.00	170	1/8/41
2	Railway and Industrial Engineering Co.	Greensburg, Pa.	I2r-11732	6/29/40	47,825.00	170	12/26/40
1	Allis-Chalmers Manufacturing Co.	Milwaukee, Wis.	I2r-11794	8/2/40	577,325.00	530	8/1/42
2	Woodward Governor Co	Rockford, Ill.	I2r-11793	8/2/40	25,500.00	530	1/17/42
All	General Electric Co	Schenectady, N. Y.	I2r-12005	9/3/40	714,742.00	550	1/12/43
do	Consolidated Steel Corp	Los Angeles, Calif.	I2r-11958	9/17/40	13,900.00	90	5/8/42
do	Schmitt Steel Co	Portland, Oreg.	I2r-12076	9/28/40	31,450.00	150	5/17/41

PRINCIPAL CONSTRUCTION AND MATERIALS

Specs. No.	For	Bids opened	
		Date	Place
928	Disconnecting switches for unit A–5	9/5/40	do
928	Disconnecting switches for unit A–5	9/5/40	do
930	168-inch butterfly valve	9/12/40	do
1433–D	Coupling capacitors, transformers and carrier line traps	10/4/40	do
934	23,000-volt bus structure and transformer neutral bus structure for unit A–5.	10/11/40	do
936	Control equipment, battery distribution switchboard and auxiliary power control equipment for unit A–5.	11/14/40	do
1483–D	Pipe and fittings for units A–1 and A–2	3/20/41	do
1509–D	Architectural bronze for exhibit building and ticket and guide houses	5/20/41	do
1528–D	Transformer neutral grounding reactor with disconnecting switch	7/24/41	do
1545–D	15-ton gantry crane	8/28/41	do
1549–D	Protective fence for switchyard	9/3/41	do
1003	230-kilovolt oil circuit breakers and disconnecting switches for Metropolitan Water District switchyard extension, units N–7 and N–8.	[1]	
1571–D	Bulkhead gates for turbine draft tubes	10/23/41	Denver, Colo.
1579–D	Valves for unit A–5	11/3/41	do
1583–D	Bus structure extension for bays Nos. 3, 4, and 5—Metropolitan Water District switchyard.	11/7/41	do
1579–D	Pipe and fittings for unit A–5	11/3/41	do
1547–D	Turbine-inlet pipe for unit A–5	9/30/41	do
1005	Generator for unit A–7	11/7/41	do
1003	230-kilovolt lightning arrester and three 55,000-kilovolt-ampere transformers for units N–7 and N–8.	11/6/41	do
1001	Hydraulic turbine and governor for unit N–7	11/3/41	do
1011	168-inch butterfly valve for unit N–7	11/27/41	do
1017	23,000-volt, 4000-ampere oil circuit breakers for unit N–7	12/18/41	do
1017	23,000-volt bus structure, generator neutral reactor and oil circuit breakers for unit N–7.	12/18/41	do
1026	Four transformers for Nevada State switchyard and Boulder City substation.	3/2/42	do
1621–D	Turntable for 55,000-kilovolt-ampere transformers for power plant	4/23/42	do
1613–D	Five three-room and five five-room residences at Boulder City	4/23/42	Boulder City
1630–D	Metropolitan switchyard—steel structures for transformer circuits Nos. 7 and T.	5/12/42	Denver, Colo.
	Repair of Arizona spillway tunnel	4/15/42	do
1032	Fifteen duplex cottages at Boulder City	4/24/42	Boulder City
1646–D	One hundred portable houses at Boulder City	6/29/42	do
1651–D	Metropolitan switchyard—steel supporting structure for transformer circuit No. 7.	7/17/42	Denver, Colo.
1665–D	Turbine-inlet pipe for unit N–7	9/14/42	do
1661–D	Control equipment, battery distribution switchboard, auxiliary power control equipment, and air circuit breakers for unit N–7.	10/3/42	do
1541–D	Transmission towers and supporting structures for Southern California Edison Co. switching station and transformer circuit No. 10 for unit No. A–5 at Boulder switchyard.	8/22/41	do
1787–D	Preparation of concrete aggregates—River-channel improvements	1/16/45	Boulder City
1089	Tunnel and river-channel improvements at Boulder Dam	1/30/45	do

[1] Not United States Bureau of Reclamation project.

CONTRACTS — BOULDER CANYON PROJECT

Awarded to—			Contract				
Schedule No.	Name	Address	Number	Date	Amount	No. of days	Completed
4	General Electric Co	Schenectady, N. Y.	I2r–12236	10/4/40	45,119.00	225	7/19/41
4	Graybar Electric Company, Inc	Denver, Colo	I2r–12236	10/4/40	45,119.00	225	5/17/41
All	Consolidated Steel Corp	Los Angeles, Calif.	I2r–12111	10/3/40	148,500.00	425	7/13/42
do	General Electric Co	Schenectady, N. Y.	I2r–12235	10/21/40	10,477.00	120	3/25/41
do	Bowie Switch Co	San Francisco, Calif.	I2r–12231	10/26/40	35,110.00	200	6/14/41
a n 3	Westinghouse Electric & Manufacturing Co.	East Pittsburgh, Pa	I2r–12369	12/19/40	37,978.00	220	11/29/41
1 2	U. S. Pipe Bending Co	San Francisco, Calif.	I2r–12995	4/14/41	13,670.00	60	7/3/41
All	General Bronze Corp	Long Island City, N. Y.	I2r–12924	5/31/41	8,667.00	100	12/4/41
do	General Electric Co	Schenectady, N. Y.	I2r–13213	7/31/41	9,767.00	126	5/14/42
do	Seaboard Steel & Engineering Corp	Newark, N. J	I2r–13786	9/9/41	8,500.00	150	12/21/43
do	American Steel & Wire Co. of New Jersey.	Oakland, Calif.	I2r–13476	9/24/41	25,408.00	150	5/7/42
1 and 2	Westinghouse Electric & Manufacturing Co. Awarded under Basic Magnesium, Inc., purchase order No. 2122, based upon U.S.B.R. Spec. No. 1003, for installation in section T–7 and T–7–A. Detailed information not available from Defense Plant Corporation.	East Pittsburgh, Pa	(?)	10/22/41	349,347.00		
All	Worden-Allen Co	Milwaukee, Wis	I2r–13649	10/31/41	9,880.00	240	12/30/42
1	Reading, Pratt & Cady division of American Chain & Cable Co., Inc.	Denver, Colo	I2r–13666	11/12/41	6,437.28	112	9/19/42
All	American Bridge Co	do	I2r–13855	11/24/41	19,802.00	130	4/28/42
2	U. S. Pipe Bending Co	San Francisco, Calif.	I2r–13957	11/28/41	16,100.00	100	8/18/42
All	Consolidated Steel Corp., Ltd	Los Angeles, Calif.	I2r–13723	11/29/41	24,200.00	85	9/23/42
1	General Electric Co	Denver, Colo	I2r–13877	12/2/41	744,540.00	710	3/31/43
3 and 4	Westinghouse Electric & Manufacturing Co.	do	I2r–14057	12/9/41	332,302.00	300	4/19/43
1 and 3	Baldwin Locomotive Works	Eddystone, Pa	I2r–13890	12/10/41	679,200.00	690	3/22/44
1	Hardie-Tynes Manufacturing Co	Birmingham, Ala	I2r–13784	12/18/41	179,000.00	500	6/27/44
2	Allis-Chalmers Manufacturing Co.	Milwaukee, Wis	I2r–14210	2/21/42	202,225.60	365	6/5/43
1 and 3	Westinghouse Electric & Manufacturing Co.	Denver, Colo	I2r–14189	2/26/42	163,266.00	200	8/18/43
1	Wagner Electric Co	St. Louis, Mo	I2r–14257	4/7/42	46,504.00	140	
All	American Bridge Co	Denver, Colo	I2r–14190	4/29/42	8,915.00	150	11/27/42
do	John Bohannan	Maywood, Calif.	I2r–14161	5/14/42	40,160.00	200	12/10/42
do	Lee C. Moore & Co., Inc	Tulsa, Okla	I2r–14191	5/14/42	7,453.30	120	8/27/42
do	Dur-ite Co	Chicago, Ill	I2r–14147	5/25/42	67,010.59	180	1/25/43
do	P. S. Webb	Boulder City, Nev.	I2r–14247	5/30/42	133,880.00	120	12/31/42
do	Thomas C. Buck	Stockton, Calif.	I2r–14347	7/15/43	124,000.00	180	2/11/43
do	Lee C. Moore & Co., Inc	Tulsa, Okla	I2r–14359	7/31/42	10,587.00	120	1/9/43
do	Consolidated Steel Corporation, Ltd.	Los Angeles, Calif.	I2r–14457	9/18/42	14,760.00	120	12/28/43
do	Westinghouse Electric & Manufacturing Co.	Washington, D. C.	TPS–56229	11/18/42	34,765.00	300	1/27/44
do	Emsco Derrick and Equipment Co	Los Angeles, Calif.	I2r–13410	9/17/41	16,000.00	140	2/28/42
do	Gibbons and Reid Co	Salt Lake City, Utah	I2r–15282	2/17/45	68,770.00	450	7/28/45
do	Guy F. Atkinson Co	San Francisco, Calif.	I2r–15288	2/22/45	2,586,450.00	750	

[ITEM 109]

BOULDER CANYON PROJECT

ALL-AMERICAN CANAL SYSTEM

CONSTRUCTION

ALL-AMERICAN CANAL SYSTEM—CONSTRUCTION

Spec. No.	Contract No.	Date	Contractor	Purpose	Amount
573	I2r-4109	6/23/34	Griffith Co	Earthwork, Station 245 to Station 1860	$235,678.48
	I2r-4176	6/23/34	W. E. Callahan Construction Co	do	5,097,204.41
621	I2r-4949	5/24/35	Lewis-Chambers Construction Co	Earthwork, Station 1860 to 3090-75	498,356.72
	I2r-4967	5/24/35	Mittry Bros., Construction Co	do	269,991.24
645	I2r-5589	12/16/35	Frazier-Davis Construction Co	Wash siphon structures; 120 wash, 424 wash; unnamed wash and Picacho wash.	556,792.81
647	I2r-5525	12/4/35	George Pollock Co	Earthwork, Station 50 to Station 245	818,117.85
665	I2r-6113	5/13/36	David H. Ryan	Bridges: Highway, Station 1035; railroad Station 1029 and Araz overchute, Station 1042.	166,300.76
668	I2r-5815	3/3/36	David H. Ryan	Earth lining, Station 419 to Station 601 and Station 803 to Station 1245.	95,339.99
684	I2r-6411	8/18/36	Peterson Construction Co	Wash overchutes, drainage inlets and turnouts, Station 308 to 1122.	387,503.31
686	I2r-6316	7/14/36	Peterson Construction Co	Earthwork, Station 3325 to Station 3538-50, detour at turnout for Central Main Canal.	56,261.21
695	I2r-6542	9/24/36	George Pollock Co	Earth lining, Station 606-75 to Station 783-75	120,553.05
700	I2r-7082	1/28/37	Frank Doran	Pipe side drains, Station 3552 to Station 3775	79,148.72
708	I2r-7100	3/23/37	Pleasant-Hasler (2, 5)	Drops and power plant substructures at drops 2, 3, 4 and 5.	695,580.51
	I2r-7107	3/23/37	Frank J. Kernan & John Klug (3, 4)	do	872,810.37
713	I2r-7089	3/16/37	Lewis-Chambers Constr. Co., Inc	Railway and highway siphons, Station 3579, 3683, 3710, and 3772.	111,996.39
717	I2r-7030	2/25/37	Lewis-Chambers Constr. Co., Inc	Highway bridges, Stations 1635 and 1930	85,431.54
718	I2r-6985	2/17/37	Milwaukee Bridge Co	Structural steel for highway bridges	41,407.00
724	I2r-7374	6/9/37	Sharp & Fellows	New river crossing and other structures, Station 3633 to Station 3826.	279,845.63
	I2r-7370	6/9/37	Southwest Welding & Mfg. Co	do	111,578.25
728	I2r-7478	7/9/37	Bennett & Taylor	Structures, Station 3825-80 to Station 4242-85	88,108.61
737	I2r-7514	7/27/37	V. R. Dennis Construction Co	Pilot knob check and wasteway	327,875.10
744	I2r-7849	10/12/37	A. S. Vinnell Co	Earth lining, Station 51-50 to 691-46	196,887.88
755	I2r-8168	12/22/37	Norman I. Fadel	Siphon drop turnout and drainage inlets	77,598.84
766	I2r-8692	6/17/38	Atlas Construction Co	Structures, Station 1898 to Station 3416 and excavation New Briar Canal.	283,736.48
791	I2r-8914	7/25/38	Atlas Construction Co	Alamo River and New Briar Canal crossing	282,512.99
810-D	I2r-6389	7/31/36	V. R. Dennis Construction Co	Rock excavation, Station 1161-75 to 1170-25	46,923.50

879	I2r–11016	1/15/40	J. W. & E. M. Breedlove	Clay blanket, Station 245–00 to 1029–48	110,205.09
955	I2r–12789	4/24/41	Norman I. Fadel	Concrete or gunite lining, Station 1–73.12 to Station 135–86.31, New Briar Canal.	70,091.61
			MATERIALS		
633	I2r–5237	8/12/35	Triangle Rock & Gravel Co. and Chas. Holmes.	Preparation of concrete aggregates at Station 90.	183,568.39
648	I2r–5634	12/26/35	Riverside Cement Co. California Portland Cement Co. Southwestern Portland Cement Co.	Modified Portland cement	738,750.00
670	I2r–6115	5/19/36	Virginia Bridge Co	Structural steel	42,672.00
692–D	Unnumbered	7/19/35	Yuma Sand & Gravel Co	Sand and gravel	1,590.00
704–D	I2r–5225	9/3/35	General Electric Co	Lightning arresters	966.15
	I2r–5204	9/4/35	Delta Star Electric Co	Electrical apparatus for Imperial Dam Substation; electrical airbreak switches.	460.00
749–D	I2r–5605	1/4/36	Harnischfeger Sales Corp	Power shovel and dragline	4,945.00
704–D	I2r–5206	9/3/35	The Standard Transformer Co	Electrical transformers	7,203.85
907–D	I2r–7382	5/20/37	Triangle Rock & Gravel Co. and Charles Holmes.	Preparation of concrete aggregates near Station 90.	135,786.25
956–D	I2r–7672	8/28/37	Bethlehem Steel Co	Structural steel for railroad pilot knob and Imperial Dam.	3,120.00
958–D	I2r–7788	9/11/37	Hendrie & Bolthoff Mfg. and Supply Co	Pumping units for All-American Canal System	3,549.27
980–D	I2r–7888	11/2/37	Omaha Steel Works	Radial gates for power drops and New Briar Turnout.	3,472.00
	I2r–7919	11/2/37	Lakeside Bridge & Steel Co	do	3,410.00
	I2r–7918	11/1/37	Treadwell Construction Co	do	1,254.00
	I2r–7937	11/2/37	Consolidated Steel Corp., Ltd	do	8,060.00
981–D	I2r–8036	11/24/37	Pacific Iron & Steel Co	Radial gates for pilot knob, etc	15,847.02
996–D	I2r–8176	1/10/38	Puget Sound Mach. Depot	Radial gates hoists for Drops 2, 3, 4, and 5, etc	13,156.00
997–D	I2r–8158	1/3/38	Valley Iron Works	Radial gate hoists for pilot knob, New River, etc.	20,062.00
	I2r–8038	12/14/37	Puget Sound Mach. Depot	do	9,072.00
1006–D	I2r–8233	1/26/38	California Portland Cement Co	Cement	296,585.00
1012–D	I2r–8201	1/21/38	The Smith Corporation, DBA General Iron & Steel Works.	Radial gates for siphon drop power plant	1,736.00
1029–D	I2r–8307	2/17/38	D. J. Murray Manufacturing Co	Radial gate hoists, siphon drop power plant	1,424.00
1048–D	I2r–8441	3/30/38	Western Foundry Co	Slide gates and gate hoists—Siphon drop turnout.	4,997.50

ALL-AMERICAN CANAL SYSTEM—CONSTRUCTION

Spec. No.	Contract No.	Date	Contractor	Purpose	Amount
1144–D	I2r–9588	12/27/38	Pacific Iron & Steel Co	Radial gates	12,695.00
	I2r–9536	12/27/38	Commercial Iron Works	Gate hoists	15,590.00
1152–D	I2r–9591	1/23/39	Smith Corporation, DBA General Iron and Steel Works.	Radial gates and gate hoists	17,834.00
1159–D	I2r–9684	1/30/39	San Gorgonio Rock Products Co	Preparation of concrete aggregates near Station 116.	63,199.26
1188–D	I2r–9777	3/7/39	Valley Iron Works	Mechanisms for gate hoists, etc., Drops 2, 3, 4, and 5.	750.00
1194–D	I2r–9938	3/29/39	Northwest Engineering Co	Dragline excavator	23,839.00
1281–AAC	I41r–21	10/19/35	Pioneer Truck & Transfer Co	Hauling and distributing transmission line equipment.	1,154.31
1286–D	TPS–31292	10/3/39	Riverside Cement Co	Cement	175,000.00
1288–D	I2r–10708	10/14/39	Schmitt Steel Co	Radial gates, radial gate hoists and radial gate float-well equipment, Coachella Canal.	3,409.00
	I2r–10737	10/13/39	Berkeley Steel Corp. Co., Inc.		6,515.00
	I2r–10738	10/14/39	Smith Corp., DBA General and Steel Works.		12,628.00
1355–D	I2r–11451	5/20/40	C. G. Hokanson Co	Air-cooling equipment for office building at Brawley, Calif.	1,155.00
1380–AAC	I41r–25	11/25/35	Pioneer Truck & Transfer Co	Surfacing construction highway, Laguna Dam to Imperial damsite.	9,296 32
1500–AAC	I41r–27	12/4/35	The Johnson Mortuary	Removal of 153 graves at Potholes Cemetery and mission site and reburying at new cemetery.	3,368.75
1610–D	I2r–13959	2/28/42	Food Machinery Corp., Peerless Pump Division.	Pumping units for Wistaria No. 1 and Wistaria No. 2 pump turnouts.	2,966.00
1626–D	I2r–14201	5/6/42	Pomona Pump Co	Pumping units for drain No. 4, Reservation Division, Yuma Project.	5,600.00
1783–D	I2r–15258	1/18/45	Western Gear Works	Radial gate hoists—A.A.C.	6,900.00
1955–AAC	I41r–31	3/23/36	O. C. Johnson	Reopening approximately 84 graves and encasing, transporting, and reburying the remains in new cemeteries to be furnished by the Government.	1,827.00

[ITEM 110]

BOULDER CANYON PROJECT

IMPERIAL DAM

CONSTRUCTION

IMPERIAL DAM—CONSTRUCTION

Spec. No.	Contract No.	Date	Contractor	Purpose	Amount
644	I2r-5544	12/14/35	The Utah Construction Co., Winston Bros. Co., and Morrison-Knudsen Co., Inc.	Imperial Dam and Desilting Works	6,306,334.00
1794-D	I2r-15255	2/3/45	M. H. Hasler	Repairs to rock paving in Outlet Channels-Desilting Works, Imperial Dam.	245,465.42

MATERIALS

631	I2r-5205	8/31/35	The Dravo Contracting Co.	Roller Gates & Roller Gate Operating Mechanism A.A.C. headworks, Imperial Dam & Desilting Works.	102,400.00
635	I2r-5173	8/7/35	The Dorr Company, Inc.	Mechanical apparatus for desilting basins	575,196.00
690	I2r-6406	8/10/36	Grimes Pipe & Supply Co.	Sludge disposal piping and miscellaneous	9,088.83
	I2r-6443	8/29/36	Southwest Welding & Mfg. Co	do	69,250.00
	I2r-6391	8/10/36	Alhambra Foundry Co., Ltd	do	2,820.00
721-D	I2r-5359	10/16/35	Chicago Bridge & Iron Works	Water tower at Government Camp Imperial Dam.	3,635.00
739-D	I2r-5521	12/12/35	Jardine & Knight Plumbing and Heating Co.	Air cooling and heating equipment, Imperial Dam Camp.	8,877.00
773-D	I41r-32	4/4/36	R. E. Hazard & Sons	Road-mix surface treatment of construction highway, Laguna Dam to Imperial Dam and of streets and parking areas in Government camp, Imperial Dam.	4,590.69
882-D	I2r-6492	9/19/36	John W. Beam	Metal sash for service bridge	15,200.02
826-D	I2r-6533	9/22/36	Newman Brothers, Inc	Metal sash for windows and roller doors	2,595.00
	I2r-6516	9/22/36	George W. Johnson Mfg. Co	do	1,604.00
836-D	I2r-6606	10/16/36	solidated Steel Corp., Ltd	Trash-rack, metal work, Gila	6,906.00
	I2r-6704	10/30/36	Assoc. Piping & Engineering Co	do	10,648.00
844-D	I2r-6725	11/18/36	Long Beach Iron Works	Valves, pipe for pedestals, Scrapers	30,238.00
846-D	I2r-6894	12/29/36	Pacific Iron & Steel Co., Ltd	Radial gate, Gila headworks	36,857.00
	I2r-6884	12/29/36	Berkeley Steel ConstructionCo	do	18,500.00
869-D	I2r-7044	3/8/37	Ne Page McKenny Co	Electric-control apparatus	17,246.00
872-AAC	I41r-18	8/8/35	C. H. Thompson	Drilling water supply well for Government camp site at Imperial Dam and Desilting Works.	1,651.00

873–D	I2r–7101	3/26/37	Concrete Conduit Co., Ltd	Centrifugally spun reinforcing concrete pipe	3,110.40
880–D	I2r–7081	3/6/37	Security Products Co	Metal sash windows for control houses	569.00
	I2r–7057	3/8/37	The Kawneer Co	do	1,960.00
	I2r–7045	3/10/37	Bayer Company, Inc	do	1,200.00
	I2r–7060	3/9/37	Metal Door & Trim Co. Security Products	do	1,028.90
903–D	I2r–7239	4/14/37	Madsen Iron Works, Ltd	Slot tips for influent channels	9,722.00
910–D	I2r–7315	5/20/37	St. Louis Structural Steel Co	Trashrack metal work for A.A.C. headworks	18,341.00
927–D	I2r–7459	7/1/37	Commercial Iron Works Co	Radial gate hoists for sluiceway and desilting works.	32,065.00
932–D	I2r–7422	6/36/37	Southwest Welding & Mfg. Co	Piping and storage tank for industrial water supply system, Imperial Dam.	1,232.50
939–D	I2r–7420	6/25/37	Crane O'Fallon Co	do	7,540.00
	I2r–7877	9/4/37	Williamsburg Elec. Supply Co	Insulated cable for Imperial Dam & Desilting Works.	5,897.04
	I2r–7720	9/4/37	Eagle Electric Supply Co., Inc	do	39,411.07
945–D	I2r–7760	9/10/37	California Steel Products Co	Handrailing and light standards, desilting works.	18,377.00
952–D	I2r–7725	8/25/37	Independent Iron Works	Metalwork for trashrack structure desilting works.	15,313.00
	I2r–7662	8/26/37	Reliance Steel Products Co	do	
	I2r–7694	8/10/37	Spuch Iron & Foundry Co	do	4,950.00
	I2r–7671	8/25/37	California Steel Products Co	do	2,430.00
957–D	I2r–7730	9/13/37	F. H. Whiting Co	Pumping units for industrial water system	647.00
	I2r–7809	9/13/37	Palmer Supply Co	do	548.00
969– D	I2r–7747	9/23/37	Valley Iron Works	Radial gate hoists, Gila headworks	1,857.17
972–D	I2r–7885	10/10/37	Pacific Iron & Steel Co., Ltd	Diversion and sluice gates, Basin 3, Gila Canal Headworks.	9,265.00 12,465.00
974–D	I2r–7920	10/22/37	M. W. Brainard	Gasoline engine generator unit	2,950.00
1004–D	I2r–8286	1/26/38	Hesse-Ersted Iron Works	Gate hoists for diversion and sluice gates, Basin 3, Gila Desilting Works.	14,500.00
1064–D	I2r–8589	6/1/38	John W. Beam	Mechanisms for water-level indicator	1,065.00
1071–D	I2r–8835	7/8/38	Smith Corp., D.B.A. General Iron and Steel Works.	Trashrack rakes, Imperial Dam	14,965.00
1102–D	I2r–9006	8/31/38	Lake Shore engine works	Trash cars, All-American Canal Headworks	988.00
1117–D	I2r–9159	9/30/38	Illinois Steel Bridge Co	Materials for steel warehouse	1,619.00

[ITEM 111]

BOULDER CANYON PROJECT

COACHELLA CANAL

CONSTRUCTION

COACHELLA CANAL—CONSTRUCTION

Spec. No.	Contract No.	Date	Contractor	Purpose	Amount
765	I2r-8693	6/17/38	Lewis-Chambers Construction Co.	Drop No. 1 and turnout, Coachella, All-American Canal System.	139,859.29
782	I2r-8820	6/28/38	W. E. Callahan Construction Co. and J. P. Shirley.	Earthwork, Coachella Canal Station, 224 to 2293, A.A.C. system.	395,710.13
846	I2r-10343	7/14/39	Morrison-Knudsen Co., Inc., and M. H. Hasler.	Earthwork and structures, Station 2078-16 to Station 4563-37, Coachella Canal.	2,450,337.44
1065	I2r-14927	3/9/44	J. F. Shea Co., Inc.	Earthwork, concrete lining and structures, Coachella.	1,660,681.90
1066	I2r-14930	3/23/44	Vinnell Engineers, Ltd	Construction of check and drop, Coachella	83,275.00
1069	I2r-14965	4/5/44	M. H. Hasler.	Earth lining and road surfacing, Coachella Canal.	440,544.26
1070	I2r-14987	5/19/44	John Bohannan	Construction of 25 residences for Government camp at Coachella.	128,408.14
1102	I2r-15535	10/10/45	Fisher Contracting Co	Construction of earthwork, concrete lining and structures, Wasteway No. 1.	320,903.60
1142-D	I2r-9534	1/4/39	V. R. Dennis Construction Co.	Preparation of concrete aggregates near Station 3600, Coachella Canal, All-American Canal System.	101,527.54
1469-D	I2r-12527	3/4/41	Morrison-Knudsen Company, Inc., and M. H. Hasler	Southern Pacific Railroad Bridge, Station 229392.8, Coachella Canal, A.A.C. System.	32,220.77
1802-D	I2r-15328	4/30/45	W. E. Kier Construction Co.	Sewerage and water distribution systems for Government camp, Coachella.	10,122.99

MATERIALS

1134-D	I2r-9348	11/26/38	Stearns Roger Manufacturing Co	Radial gates and radial gate hoists for drop No. 1 and Coachella Turnout, All-American Canal System.	5,627.32
	I2r-9395	11/25/38	Enterprise Foundry Co	do	5,138.00
1438-D	I2r-11994	10/15/40	Worden-Allen Co	Radial gates and radial gate hoists, Coachella Canal, A.A.C. System.	2,330.00
	I2r-12016	10/17/40	Western Foundry Co	do	3,366.00

1461-D	I2r-12524	2/26/41	American Bridge Co.	Structural steel for Southern Pacific Railroad Bridge, Station 229392.8, Coachella Canal, A.A.C. System.	6,761.00
1742-D	I2r-15098	6/23/44	Gabriel Fabrication & Erection Co.	Radial Gates, Coachella	1,475.00
	I2r-15044	6/23/44	Monarch Forge & Machine Works	Radial gate hoists	1,659.20
1790-D	I2r-15310	3/16/45	Chicago Bridge & Iron Co	Furnishing and erecting elevated steel water tank at Government camp, Coachella.	12,090.00

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SUBDIVISION VI

OPINIONS

[ITEM 112]

BOULDER CANYON PROJECT

OPINION OF THE ATTORNEY GENERAL

DECEMBER 26, 1929

DEPARTMENT OF JUSTICE,
Washington, D. C., December 26, 1929

SIR: I have the honor to comply with the requests contained in your letters of August 3 and August 8, 1929, for my opinion upon certain questions arising under the Boulder Canyon project act (45 Stat. 1057), which you state as follows:

1. Whether or not advances from the General Treasury to the Colorado Rived Dam fund for construction costs of the All-American Canal, and disbursements from the Colorado River Dam fund for that purpose, should be interest-bearing.

2. In fixing the sale rates for power to be generated at Boulder Dam, must provision be made for amortization within 50 years of the $25,000,000 allocated by the act to flood control?

3. Must provision be made for payment out of power proceeds, during the 50-year period of amortization, of interest upon the principal of the $25,000,000 allocated to flood control? If so, should interest start to run from the first appropriation made from the General Treasury to the Colorado River Dam fund?

The provisions of the Boulder Canyon project act which are especially relevant to these questions are the following:

> BE IT ENACTED * * *, That for the purpose of controlling the floods, improving navigation and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters thereof for reclamation of public lands and other beneficial uses exclusively within the United States, and for the generation of electrical energy as a means of making the project herein authorized a self-supporting

and financially solvent undertaking, the Secretary of the Interior, subject to the terms of the Colorado River compact hereinafter mentioned, is hereby authorized to construct, operate, and maintain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon adequate to create a storage reservoir of a capacity of not less than twenty million acre-feet of water and a main canal and appurtenant structures located entirely within the United States connecting the Laguna Dam, or other suitable diversion dam, which the Secretary of the Interior is hereby authorized to construct if deemed necessary or advisable by him upon engineering or economic considerations, with the Imperial and Coachella Valleys in California, the expenditures of said main canal and appurtenant structures to be reimbursable, as provided in the reclamation law, and shall not be paid out of revenues derived from the sale or disposal of water power or electric energy at the dam authorized to be constructed at said Black Canyon of Boulder Canyon, or for water for potable purposes outside of the Imperial and Coachella Valleys– *Provided, however,* That no charge shall be made for water or for the use, storage, or delivery of water for irrigation or water for potable purposes in the Imperial or Coachella Valleys; also to construct and equip, operate, and maintain at or near said dam, or cause to be constructed, a complete plant and incidental structures suitable for the fullest economic development of electrical energy from the water discharged from said reservoir; * * *

SEC. 2. (a) There is hereby established a special fund, to be known as the "Colorado River Dam fund" (hereinafter referred to as the "fund"), and to be available, as hereafter provided, only for carrying out the provisions of this act. All revenues received in carrying out the provisions of this act shall be paid into and expenditures shall be made out of the fund, under the direction of the Secretary of the Interior.

(b) The Secretary of the Treasury is authorized to advance to the fund, from time to time and within the appropriations therefor, such amounts as the Secretary of the Interior deems necessary for carrying out the provisions of this act, except that the aggregate amount of such advances shall not exceed the sum of $165,000,000. Of this amount the sum of $25,000,000 shall be allocated to flood control and shall be repaid to the United States out of 62½ per centum of revenues, if any, in excess of the amount necessary to meet periodical payments during the period of amortization, as provided in section 4 of this act. If said sum of $25,000,000 is not repaid in full during the period of amortization, then 62½ per centum of all net revenues shall be applied to payment of the remainder, interest at the rate of 4 per centum per annum accruing during the year upon the amounts so advanced and remaining unpaid shall be paid annually out of the fund, except as herein otherwise provided.

(c) Moneys in the fund advanced under subdivision (b) shall be available only for expenditures for construction and the payment of interest, during construction, upon the amounts so advanced. No expenditures out of the fund shall be made for operation and maintenance except from appropriations therefor.

(d) The Secretary of the Treasury shall charge the fund as of June 30 in each year with such amount as may be necessary for the payment of interest on advances made under subdivision (b) at the rate of 4 per centum per annum accrued during the year upon the amounts so advanced and remaining unpaid, except that if the fund is insufficient to meet the payment of interest the Secretary of the Treasury may, in his discretion, defer any part of such payment, and the amount so deferred shall bear interest at the rate of 4 per centum per annum until paid.

(e) The Secretary of the Interior shall certify to the Secretary of the Treasury, at the close of each fiscal year, the amount of money in the fund in excess of the amount necessary for construction, operation, and maintenance, and payment of interest. Upon receipt of each such certificate the Secretary of the Treasury is authorized and directed to charge the fund with the amount so certified as repayment of the advances made under subdivision (b), which amount shall be covered into the Treasury to the credit of miscellaneous receipts.

* * * * * * *

SEC. 4. (b) Before any money is appropriated for the construction of said dam or power plant, or any construction work done or contracted for, the Secretary of the Interior shall make provision for revenues by contract, in accordance with the provisions of this act, adequate in his judgment to insure payment of all expenses of operation and maintenance of said works incurred by the United States and the repayment, within fifty years from the date of the completion of said works, of all amounts advanced to the fund under subdivision (b) of section 2 for such works, together with interest thereon made reimbursable under this act.

Before any money is appropriated for the construction of said main canal and appurtenant structures to connect the Laguna Dam with the Imperial and Coachella Valleys in California, or any construction work is done upon said canal or contracted for, the Secretary of the Interior shall make provision for revenues, by contract or otherwise, adequate in his judgment to insure payment of all expenses of construction, operation, and maintenance of said main canal and appurtenant structures in the manner provided in the reclamation law.

If during the period of amortization the Secretary of the Interior shall receive revenues in excess of the amount necessary to meet the periodical payments to the United States as provided in the contract, or contracts, executed under this act, then immediately after the settlement of such periodical payments he shall pay to the State of Arizona 18¾ per centum of such excess revenues and to the State of Nevada 18¾ per centum of such excess revenues.

SEC. 5. That the Secretary of the Interior is hereby authorized, under such general regulations as he may prescribe, to contract for the storage of water in said reservoir and for the delivery thereof at such points on the river and on said canal as may be agreed upon, for irrigation and domestic uses, and generation of electrical energy and delivery at the switchboard to States, municipal corporations, political subdivisions, and private corporations of electrical energy generated at said dam, upon charges that will provide revenue which, in addition to other revenue accruing under the reclamation law and under this act, will in his judgment cover all expenses of operation and maintenance incurred by the United States on account of works constructed under this act and the payments to the United States under subdivision (b) of section 4. * * *

After the repayments to the United States of all money advanced with interest, charges shall be on such basis and the revenues derived therefrom shall be kept in a separate fund to be expended within the Colorado River Basin as may hereafter be prescribed by the Congress. * * *

SEC. 7. That the Secretary of the Interior may, in his discretion, when repayments to the United States of all money advanced, with interest, reimbursable hereunder, shall have been made, transfer the title to said canal and appurtenant structures, except the Laguna Dam and the main canal and appurtenant structures down to and including Syphon Drop, to the districts or other agencies of the United States having a beneficial interest therein in proportion to their respective capital investments under such form of organization as may be acceptable to him. * * *

SEC. 9. That all lands of the United States found by the Secretary of the Interior to be practicable of irrigation and reclamation by the irrigation works authorized herein shall be withdrawn from public entry. Thereafter, at the direction of the Secretary of the Interior, such lands shall be opened for entry, in tracts varying in size but not exceeding one hundred and sixty acres, as may be determined by the Secretary of the Interior, in accordance with the provisions of the reclamation law, and any such entryman shall pay an equitable share in accordance with the benefits received, as determined by the said Secretary, of the construction cost of said canal and appurtenant structures; said payments to be made in such installments and at such times as may be specified by the Secretary of the Interior, in accordance with the provisions of the said reclamation law, and shall constitute revenue from said project and be covered into the fund herein provided for: * * *

SEC. 12. * * *

"Reclamation law" as used in this act shall be understood to mean that certain act of the Congress of the United States approved June 17, 1902, entitled "An act appropriating the receipts from the sale and disposal of public land in certain States and Territories to the construction of irrigation works for the reclamation of arid lands," and the acts amendatory thereof and supplemental thereto. * * *

SEC. 14. This act shall be deemed a supplement to the reclamation law, which said reclamation law shall govern the construction, operation, and management of the works herein authorized, except as otherwise herein provided.

* * * * * * *

I

Your first question is as follows:

Whether or not advances from the General Treasury to the Colorado River Dam fund for construction costs of the All-American Canal, and disbursements from the Colorado River Dam fund for that purpose, should be interest-bearing.

The All-American Canal is one of the works which the Secretary of the Interior is authorized to construct under section 1 of the act, being therein described as "a main canal and appurtenant structures located entirely within the United States connecting the Laguna Dam [near the Mexican boundary], * * * with the Imperial and Coachella Valleys in California." The other physical constructions thereby authorized are "a dam and incidental works at Black Canyon or Boulder Canyon" and a power plant at or near that dam. Section 1 recites the purposes of these constructions as controlling the floods, improving navigation, and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters thereof for reclamation of public lands and other beneficial uses, and for the generation of electrical energy as a means of making the project a self-supporting and financially solvent undertaking.

The "Colorado River Dam fund," to which your question relates, is established by section 2 (a) of the act as a special fund to be available only for carrying out the provisions of the act. It is further provided that "revenues received in carrying out the provisions of this act shall be paid into and expenditures shall be made out of the fund, under the direction of the Secretary

of the Interior." It is thus apparent that a single fund is provided into which and out of which all receipts and disbursements connected with any phase of the project must flow, regardless of source. By section 2 (b) the Secretary of the Treasury is authorized to advance to the fund, from time to time and within the appropriations therefor, such amounts, not exceeding $165,000,000 as the Secretary of the Interior deems necessary.

Section 2 (b) further provides:

> Interest at the rate of 4 per centum per annum accruing during the year upon the amounts so advanced and remaining unpaid shall be paid annually out of the fund, except as herein otherwise provided.

The question is, therefore, whether the act should be construed as providing that interest is not to be paid on moneys advanced to the fund for the cost of construction of the All-American Canal.

The act nowhere so provides in express terms, and there are provisions in section 2 relating to the fund which, taken literally, would require that all moneys advanced by the Treasury for any part of the authorized project should bear interest. By section 2 (d) the Secretary of the Treasury is directed to charge the fund as of June 30 in each year "with such amount as may be necessary for the payment of interest on advances made under subdivision (b) at the rate of 4 per centum per annum accrued during the year upon the amounts so advanced and remaining unpaid, except that if the fund is insufficent to meet the payment of interest the Secretary of the Treasury may, in his discretion, defer any part of such payment, and the amount so deferred shall bear interest at the rate of 4 per centum per annum until paid." It may be suggested that the phrase "except as herein otherwise provided" in section 2 (b) should be deemed to refer only to the exception with respect to the deferment of interest provided in section 2 (d), just quoted. The references in section 2 (c) to "the payment of interest, during construction, upon the amounts so advanced," and in section 2 (e) to "payment of interest," are not expressly qualified. An inference that all sums advanced from the Treasury for any part of the project are to be interest-bearing may also be drawn from the reference in section 5 to "the repayments to the United States of all money advanced with interest" and the provision of section 7 that the Secretary of the Interior may, in his discretion, "when repayments to the United States of all money advanced, with interest, reimbursable hereunder, shall have been made, transfer the title" to the said canal and appurtenant structures, with certain exceptions, to the districts or other agencies of the United States having a beneficial interest therein.

On the other hand, there are other provisions of the act which provide an entirely different plan of reimbursement of expenditures for the canal and appurtenant structures than those which govern the reimbursement of the cost of the dam and power project. Section 1 provides that "the expenditures for said

main canal and appurtenant structures are to be reimbursable, as provided in the reclamation law, and shall not be paid out of revenues derived from the sale or disposal of water power or electric energy at the dam authorized to be constructed at said Black Canyon or Boulder Canyon, or for water for potable purposes outside of the Imperial and Coachella Valleys." No such provision is made with respect to the dam or power plant, and it is manifest from the act as a whole that the expenditures for their construction are to be paid mainly, if not wholly, from those revenues which were excluded as a source of reimbursement of expenditures for the canal. In section 4 (b), which requires the Secretary of the Interior to make certain provisions for revenues before any money is appropriated for the construction of the works comprised in the project or any construction work is done thereon, the dam and power plant and the main canal and appurtenant structures are treated in separate paragraphs, which differ materially in their provisions. The first paragraph, dealing with the dam and power plant, requires that the Secretary make provision for revenues, adequate in his judgment to insure, among other things, "the repayment, within fifty years from the date of the completion of said works, of all amounts advanced to the fund under subdivision (b) of section 2 for such works, together with interest thereon made reimbursable under this act;" whereas in the second paragraph, dealing with the main canal and appurtenant structures, the requirement is that he shall make provision for revenues adequate in his judgment "to insure payment of all expenses of construction, operation and maintenance of said main canal and appurtenant structures in the manner provided in the reclamation law;" and interest is not mentioned.

Thus, while the dam and reservoir were to provide for the storage of waters for the purpose of reclamation of public lands as well as for flood control, improvement of navigation, generation of electrical energy, and the other purposes recited in section 1, the main canal was singled out and treated as a purely reclamation project, the expenditures for which were to be reimbursable in the same manner as those for other projects administered under the reclamation law.

The reclamation law is defined by section 12 as meaning the act of June 17, 1902 (ch. 1903, 32 Stat. 388), and the acts amendatory thereof and supplemental thereto. The plan set forth in those acts, so far as here material, is as follows: By section 1 of the act of June 17, 1902, a special fund was created in the Treasury known as the "reclamation fund," consisting of moneys received from the disposal of public lands in certain States and certain fees and commissions; other sources of revenue were added by supplemental acts. The moneys in this fund are used for the construction of irrigation projects which the Secretary of the Interior determines to be practicable, and the fund is then reimbursed by charges made upon the lands designated by the Secretary by public notice as irrigable under the project, whether held by entyrmen or in private ownership. Those charges are to be determined "with a view of re-

turning to the reclamation fund the estimated cost of construction of the project," and are to be apportioned equitably. (Id., secs. 2, 3, 4, and 5; see also act of August 13, 1914, 38 Stat. 690; act of December 5, 1924, section 4, 43 Stat. 702.) By the act of May 25, 1926, section 46 (44 Stat. 647), no water is to be delivered upon the completion of the project until contracts approved by the Secretary shall have been made with irrigation districts providing for the payment, among other things, "of the cost of constructing" the works in not more than forty years from the date of the public notice. The reclamation fund is thus a permanent revolving fund, created in the first instance by an appropriation of public moneys and used for the financing of reclamation projects.

This fund is not to be used for the works authorized by the Boulder Canyon project act, which are financed instead through the Colorado River Dam fund created by section 2, and that act contemplates (see secs. 5 and 9) that revenues received under the reclamation law in connection with this project are to be covered into that fund. The provisions of section 9, however, closely parallel those of the reclamation law, and the references in sections 1 and 4 (b) to the reimbursement of the cost of construction of the main canal and appurtenant structures in the manner provided by the reclamation law manifestly refer to the charging of the cost of construction upon the lands benefited as therein described.

The reclamation law contains no provision for the payment by the land owners of any interest upon the sums advanced from the reclamation fund, and I am advised that the term "construction charge" as used in the reclamation law has never been construed by the Interior Department as including an interest charge upon the cost of construction. Congress must be deemed to have been familiar with the reclamation law, to which frequent references are made in the act, and with the practical interpretation thereof by the Interior Department as not authorizing the charging of interest upon the cost of construction of a reclamation project against the lands benefited thereby. In this view, the omission of any mention of interest in the second paragraph of section 4 (b) in contradistinction to the express mention thereof in the first paragraph, is significant, and strongly indicative of an intention of Congress that interest upon the construction cost of the All-American Canal should not be charged against lands benefited.

If interest is not to be charged against the land, the act designates no source of revenue from which interest might be paid to the General Treasury upon sums advanced for the construction costs of the canal. Section 1 explicitly provides that the expenditures for the canal shall not be paid out of revenues from the sale or disposal of water power or electric energy at the dam or for water for potable purposes outside of the Imperial and Coachella Valleys. It is reasonable to presume that, since Congress forbade the use of such revenues for payment of the principal of such expenditures, it did not intend that they

should be reached to pay interest thereon. It appears that the cost of the canal and appurtenant structures is expected to be nearly $40,000,000. Under the reclamation law repayment may not be accomplished for forty years. Interest at four per cent upon that sum for that period would constitute an amount of such magnitude that the failure of Congress to specify any revenues out of which it could probably be paid creates a strong inference that it was not intended to be paid.

The apparent conflict between the provisions of the act above discussed is, in large part, explained by its legislative history, which in my judgment, makes it clear that it was the intention of Congress that advances for the cost of construction of the All-American Canal should not bear interest.

The bills originally introduced by Senator Johnson in the Senate (S. 728, 70th Cong., 1st sess.) and by Congressman Swing in the House (H. R. 5773, 70th Cong., 1st sess.) did not differentiate the manner in which the expenditures for the canal were to be reimbursed from that which was to govern the repayment of the expenditures for the dam and power plant, and it was plain that interest was to be paid upon all sums advanced from the Treasury for the construction of any of the works thereby authorized. Section 1 did not contain the words—

> The expenditures for said main canal and appurtenant structures to be reimbursable, as provided in the reclamation law, and shall not be paid out of revenues derived from the sale or disposal of water power or electric energy at the dam authorized to be constructed at said Black Canyon or Boulder Canyon, or for water for potable purposes outside of the Imperial and Coachella Valleys.

The last sentence of section 2 (b), requiring the payment of interest upon advances, was not qualified by the words "except as herein otherwise provided." Section 4 (b) contained but one paragraph, reading as follows:

> (b) Before any money is appropriated or any construction work done or contracted for, the Secretary of the Interior shall make provision for revenues, by contract or otherwise, in accordance with the provisions of this act, adequate, in his judgment, to insure payment of all expenses of operation and maintenance of said works incurred by the United States and the repayment, within fifty years from the date of the completion of the project, of all amounts advanced to the fund under subdivision (b) of section 2, together with interest thereon.

Section 7 did not contain the words "reimbursable hereunder" following the word "interest." Sections 5, 9, and 14 (originally numbered 13) were, so far as here material, substantially in their present form. It was thus anticipated that revenues would be received by the fund under the reclamation law. But those revenues and the revenues from power and other sources were to be used indiscriminately for the repayment of advances to the fund and interest thereon.

The report of the Senate Committee on Irrigation and Reclamation (Rept. No. 592, 70th Cong., 1st sess., March 20, 1928), however, recommended several amendments, of which the following are here significant: To insert in section 1 part of the language above quoted, namely, "the expenditures

for said main canal and appurtenant structures to be reimbursable, as provided in the reclamation law," the committee explaining the purpose of this amendment as "avoiding conflict with well-established precedent" (Rept., p. 4); to add to the last sentence of section 2 (b) the words "except as herein otherwise provided"; to add to section 4 (b) the words "made reimbursable under this act"; and in section 7 to insert, after the words "with interest," the words "reimbursable hereunder."

The Senate bill, with these proposed amendments, was thereafter extensively debated in that body, but no action was taken thereon before adjournment *sine die* on May 29, 1928. (Cong. Rec., vol. 69, p. 10678.) Meanwhile, the House had passed its bill, unamended in any respect here material, on May 25, 1928. (Id., p. 9990.) After the commencement of the second session of the Seventieth Congress in December, 1928, the Senate substituted the House bill for the Senate bill, Senator Johnson offering an amendment striking out all after the enacting clause and substituting therefor the Senate bill with the proposed amendments. (Cong. Rec., vol. 70, p. 68.) The subsequent debates hereinafter referred to were in the Senate on the House bill as thus amended.

The committee amendments above discussed, which segregated the canal project and made the land benefited bear the cost of its construction were apparently proposed for the purpose of meeting opposition to the use of revenues from power for any payment on account of the canal, which was regarded as a reclamation project for the benefit of the Imperial and Coachella Valleys in California. (See Minority Views, Sen. Rept. 592, pt. 2, pp. 25-26; see also Cong. Rec., vol. 69, pp. 9457-9, 10295, 10495; vol. 70, pp. 230-1, 236, 244.)

The committee report contains language indicating that it regarded the effect of the amendment as also making expenditures for the reclamation features noninterest bearing. The statement is made (Rept., p. 7) that "this tremendous enterprise * * * will cost the Federal Government nothing except loss of interest on reclamation features, the same as in all other works of this kind." The report further states (pp. 7-8):

> While the Government will in the first instance advance funds for the construction of the works, all advancements will be repaid to the Government within 50 years and those for purposes other than reclamation, with interest at 4 percent per annum.

The report is not wholly clear on this subject because it goes on (p. 8) to refer to the authorized appropriation as including an item for interest during construction of the then estimated cost of the works including the canal. It is to be observed that the items embraced in the appropriation were made up before the committee amendments segregating the canal were proposed (id., p. 27), and it is probable that the committee overlooked the fact that its discussion of the interest item was not consistent with its earlier language regarding

loss of interest on reclamation features. The report, moreover, refers to the interest item as "largely a bookkeeping arrangement to fix the amount for which beneficiaries of the project will be charged." In the subsequent debates, Senator Johnson, who was in charge of the bill, in a colloquy with Senator King on May 1 (Cong. Rec., vol. 69, p. 7623), made the direct statement that the payments by the land owners, the beneficiaries of the canal, were to be without interest. The colloquy is as follows:

MR. KING. I think the Secretary ought to state that with respect to the All-American Canal it is not contemplated that interest shall be charged upon any advancement, even if the people in the valley are ever able to pay it; in other words, that the interest is to be remitted, and that they are to have an indefinite period—40 years at least—within which to make payment.

MR. JOHNSON. No; they are to repay under the reclamation law.

MR. KING. That means without interst.

MR. JOHNSON. Exactly.

(See also id., pp. 7389-7390, 7627, 9457.)

While there are other statements in the debates during April and May from which it might be implied that it was not clearly understood that interest was not to be payable upon advances for the construction cost of the canal (id., pp. 7389, 7536, 7538), this was definitely recognized in the debates in December which immediately preceded the passage of the bill. During the discussion on December 11 Senator Johnson referred to the report of the Board of Engineers appointed by the Secretary of the Interior, with the approval of the President, under authority of joint resolution approved May 29, 1928 (Dec. No. 446, H. R., 70th Cong., 2d sess.), and the following colloquy then occurred between him and Senator King (Cong. Rec., vol. 70, p. 402):

MR. KING. It is important in the discussion of the question of amortization. The Senator stated that under the plan suggested by the commission the All-American Canal would be constructed under the reclamation project and therefore nothing would be a charge under the terms of the bill. The Senator forgot for the moment, I think, that the interest would have to be borne by the Government for the advances which were made for the construction of the All-American Canal.

MR. JOHNSON. The Senator is right, but it would be only the interest which would have to be borne.

MR. KING. But it would be several million dollars.

On December 13 Senator King pointed out the difference between the reclamation fund, which under the reclamation law was a revolving fund produced from the sale of public lands, oil royalties, and so forth, and the Colorado River Dam fund, which was created by direct advances from the Treasury. He said (id., p. 519):

It is true that the Secretary of the Interior is required to make contracts with those whose lands are to be irrigated from the canal for the repayment to the Government of the cost of the canal, covering a period of 40 years, but without interest. It seems, therefore, that the Government derives no interest whatever from the $38,500,000, or the $11,000,000 should the canal to the Coachella Valley be constructed.

The following colloquy then took place between Senator King and Senator Phipps, who was Chairman of the Committee on Irrigation and Reclamation (id., p. 521):

MR. KING. Is not the Senator in error in stating that the Government receives interest upon the entire amount of $140,000,000 being the $165,000,000 provided in the bill, less $25,000,000 allocated thereby to flood control? According to the amendment of the Senator, $25,000,000 is deducted for the moment. Then the Government makes the advancement for the construction of the All-American Canal, and that is not to draw interest. That is to say, we are to pay it out of the fund, but the Government does not get back interest for the amount which is utilized in the construction of the canal.

MR. PHIPPS. No; that would come under the reclamation act under the provisions of this bill.

MR. KING. The Senator knows that while we label it as coming under the reclamation act, as a matter of fact the amount needed for the construction of the All-American Canal does not come from the reclamation fund, but comes from this $165,000,000, and no payment is made to the Government of interest upon the advance. In other words, the All-American Canal will be constructed with moneys taken from this fund, and no interest whatever will be paid to the Government by those who get that enormous sum.

MR. PHIPPS. The Senator is correct.

MR. KING. So that the $140,000,000, then, does not draw interest.

MR. PHIPPS. No; it does not all draw interest. The Senator is correct in that regard.

The bill passed the Senate the day following the discussions above quoted.

Just before its passage two amendments, offered by Senator Pittman, were adopted which further clarified the differentiation of the canal from the dam and power-plant project and the question whether interest was to be paid upon advances for construction of the canal. In the earlier discussions concern had been expressed that the amendments proposed by the committee did not sufficiently segregate the canal and that there was danger that revenues from power might be reached to guarantee or underwrite any deficiency in the moneys received under the reclamation law to pay for the canal. (Cong. Rec., vol. 69, pp. 9456-7, 9458, 10495; vol. 70, p. 288; see also Minority Views, Sen. Rept. 592, pt. 2, pp. 25-26.)

Senator Pittman's first amendment (id., vol. 70, p. 575) was to insert in section 1, following the committee amendment that expenditures for the canal should be reimbursable as provided in the reclamation law, the provision—

and shall not be paid out of revenues derived from the sale or disposal of water power or electric energy at the dam authorized to be constructed at said Black Canyon or Boulder Canyon, or for water for potable purposes outside of the Imperial and Coachella Valleys.

Explaining that amendment, he said:

It has been understood that the cost of building the All-American Canal will not be imposed as an obligation on the revenues derived from the power developed at the power house at the Boulder or Black Canyon Dam. I desire now to offer an

amendment which will make that entirely clear. Although the bill already has a provision of that kind, it is not as yet sufficiently definite.

After the adoption of that amendment Senator Pittman immediately introduced an amendment to section 4 (b), changing it to the form in which it now appears in the law. In explaining that amendment, he said (id., p. 576):

MR. PITTMAN. Now, Mr. President, in order to make the bill harmonious, having segregated the All-American Canal, the reclamation project, from the Boulder Dam, the Black Canyon Dam, and the power-house project, it is essential to make subdivision (b) in section 4, on page 5, to conform to that.

The amendment was adopted and the bill as so amended passed the Senate on December 14, 1928 (id., p. 603). The House concurred in the Senate amendments and passed the bill on December 18 (id., pp. 830-838) without specific discussion of the interest question.

I have above pointed out that the first paragraph of section 4 (b), as thus amended and passed, requires the Secretary of the Interior to make provision for revenues adequate in his judgment for the repayment of the advances for the dam and power plant "with interest thereon, made reimbursable under this act," whereas the second paragraph, relating to repayment of the costs of construction of the main canal and appurtenant structures "in the manner provided in the reclamation law" makes no reference to interest. In view of the legislative history and especially of the debates in the Senate immediately preceding the adoption of the amendment to section 4 (b), I can not regard this differentiation as accidental. Its purpose was to harmonize that section with the rest of the bill treating the canal as a purely reclamation project, and the provisions that the sums expended for its construction shoud be "reimbursable as provided in the reclamation law" were, in my judgment, intended to relieve advances from the Treasury for that purpose from any interest charge.

In view of the legislative history above outlined, I think that the qualification, "except as herein otherwise provided," to the requirement in section 2 (b) of the payment of interest on all sums advanced can not be regarded as referring exclusively to the case of the deferment of interest payments under section 2 (d). In my judgment, Congress must be considered to have "otherwise provided" with respect to interest on the cost of construction of the All-American Canal, and the expressions in section 2 (c), (d), and (e), section 5, and section 7, must be deemed to refer only to such interest as is made payable by the act construed as a whole.

It is my opinion, therefore, that advances from the General Treasury to the Colorado River Dam fund for construction costs of the All-American Canal are not interest bearing.

With respect to the branch of your question which relates to whether disbursements from the fund for that purpose should be interest-bearing, I understand from your letter of December 11 that the only purpose of that inquiry was to bring up the question of the time from which interest on advances

from the General Treasury should be computed if interest is chargeable at all. In view of my opinion, above expressed, consideration of that question is not necessary.

II

Your second question is as follows:

> In fixing the sale rates for power to be generated at Boulder Dam, must provision be made for amortization within fifty years of the $25,000,000 allocated by the act for flood control?

The provisions of the act requiring the Secretary of the Interior to make provision for revenues to insure repayment of sums expended for the various constructions contemplated by the act are found in section 4 (b). Flood control is one of the purposes recited in section 1 and was to be secured chiefly by means of the dam and incidental works at Black Canyon or Boulder Canyon. The first paragraph of section 4 (b) relates to those works and, if it stood alone, would require the Secretary of the Interior to make provision for revenues by contract adequate in his judgment to insure repayment within fifty years of all amounts advanced from the Treasury under section 2 (b) for their construction.

Section 2 (b) itself, however, after authorizing the Secretary of the Treasury to advance to the fund such sums as the Secretary of the Interior deems necessary for carrying out the provisions of the act, not exceeding $165,000,000, provides:

> Of this amount the sum of $25,000,000 shall be allocated to flood control and shall be repaid to the United States out of 62½ per centum of revenues, if any, in excess of the amount necessary to meet periodical payments during the period of amortization, as provided in section 4 of this act. If said sum of $25,000,000 is not repaid in full during the period of amortization, then 62½ per centum of all net revenues shall be applied to payment of the remainder.

The above language provides a plan of repayment of the $25,000,000 allocated to flood control which is different from the method prescribed in section 4 (b). Congress manifestly contemplated that 62½ per cent of the excess revenues might not be sufficient to repay this sum within the fifty-year period of amortization therein specified, and provided that in that event 62½ per cent of all net revenues should be devoted to its payment. These special provisions are controlling.

The language of section 2 (b) shows clearly that Congress did not regard the $25,000,000 thereby allocated to flood control as falling within the amortization plan embodied in section 4 (b). If this $25,000,000 were regarded as falling within the requirements of the first paragraph of section 4 (b), the revenues which the Secretary of the Interior would thereby be required to provide therefor would be embraced in the words, "the amount necessary to meet periodical payments during the period of amortization, as provided in

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section 4 of this act," in section 2 (b), and the provision in the latter section that during this fifty-year period repayment should be made only out of 62½ per centum of the revenues, if any, "in excess" of that amount would be meaningless. Section 4 (b) can not be construed as embracing the sum allocated for flood control without producing plain repugnance between that section and section 2 (b). I am therefore of the opinion that the $25,000,000 allocated to flood control must be regarded as falling outside of the words "all amounts advanced to the fund under subdivision (b) of section 2 for such works" in section 4 (b).

This construction of the act is confirmed by reference to its legislative history.

The provision of section 2 (b), above quoted, was brought into the act by an amendment offered only a few days before the passage of the bill, by Senator Phipps, the Chairman of the Committee on Irrigation and Reclamation, which reported out the bill. Up to that time section 2 (b) had consisted only of the first and last sentences thereof. Prior to the presentation of Senator Phipps's amendment, Senator Ashurst had offered an amendment on the same subject which would have allocated $30,000,000 to flood control and made this sum not reimbursable at all. (Cong. Rec., vol. 69, p. 10466.) The first form of the amendment offered by Senator Phipps, on December 11, 1928, was to insert after the first sentence of section 2 (b) a single sentence as follows:

> Of this amount the sum of $25,000,000 shall be allocated to flood control, and shall not be repaid to the United States except out of revenues, if any, in excess of the amount necessary to meet periodical payments during the period of amortization as provided in section 4 of this act.

In supporting this proposed amendment Senator Phipps said (Cong. Rec., vol. 70, p. 399):

> I have given my reason for believing that the amount of $25,000,000 included in that figure should be considered as deferred payment, namely, that the Federal Government certainly has an obligation resting upon it to provide flood control for the lower reaches of the Colorado River territory; and the figure of $25,000,000 is a little less than the figure which has been estimated as the cost of a dam located at the flood control alone.

The next day, December 12, the amendment was altered to the form in which it now appears in the act. (Id., p. 459.) On the day following, December 13, the proposed amendment was debated and passed the Senate. (Id., pp. 520-522.)

In the discussion of Senator Phipps's amendment in both forms, the understanding was expressed by several of the Senators that the proposed $25,000,000 allocation would be substantially a contribution by the United States for flood control. (Id., pp. 399-401.) The amendment was supported not only on the ground that the Government owed an obligation to provide flood control, but on the ground that the amortization plan might not be feasible

unless such a contribution were made. The Report of the Board of Engineers (Doc. No. 446, H. R., 70th Cong. 2d sess.), referred to in my discussion of your first question, which was submitted on December 3, 1928, and related to the House bill, concluded with the following language:

> Based on the foregoing and the shortage of power which will occur at low flow, the board is of the opinion that if the Boulder Canyon project is completed and put in operation, carrying as it does the costs of flood-protection works and the All-American Canal, it will be impossible to meet operation, maintenance, interest, and a sufficient sinking fund to retire the cost of the project within a 50-year period.
>
> 4. It is obvious that the power which can be generated from Boulder Dam is a valuable resource. If the income from storage can be reasonably increased and the capital investment reduced by the cost of the All-American Canal, together with a reduction for all or a part of the cost properly chargeable to flood protection, it would be possible to amortize the remaining cost with the income from power.

This report was reprinted in the Congressional Record (vol. 70, pp. 280-285) and reference was made in the debate to the above recommendation, as it related to flood control. (Cong. Rec., vol. 70, pp. 71, 399, 521-2.)

The change made in the first sentence of the amendment was thus explained by Senator Johnson (id., p. 520):

> The reason for that insertion, I assume, of 62½ per cent of the revenues is because in the bill section 4 (b), last paragraph 37½ per cent of what I may term the excess revenues, or what I think might be designated as profit, are allocated to the two States of Arizona and Nevada in equal shares, and I assume that the purpose of the amendment is out of the remainder of the 62½ per cent to pay, if it can be paid, the allocation of $25,000,000 for flood control.

The same explanation had been made by Senator Phipps. (Id., p. 473.)

It is apparent that the so-called excess revenues, out of 62½ per cent of which alone was to come repayment during the period of amortization of any part of the $25,000,000 allocated to flood control, were the same excess revenues which under the last paragraph of section 4 (b) were to be paid as to 18¾ per cent to the State of Arizona and as to 18¾ per cent to the State of Nevada. Manifestly, it was not the intention of Congress that section 4 (b) should require the Secretary of the Interior to make provision by his contracts to insure any payments to those States during the fifty-year period. This was recognized in the debates on the bill. (Cong. Rec., vol. 69, pp. 7390-1, 10502.) There is no greater reason to suppose that Congress intended that he should be required to make provision for repayment of the sums allocated to flood control. The "revenues in excess of the amount necessary to meet periodical payments" which during the fifty-year period of amortization were to be the sole source both of the payments to the States of Arizona and Nevada and of the repayment of the $25,000,000 allocated to flood control were by necessary implication excluded from the revenues for which the Secretary of the Interior was required to make provision under the first paragraph of section 4 (b).

It is my opinion, therefore, that the Secretary of the Interior is not required, in fixing the sale rates for power to be generated at Boulder Dam, to make provision for the amortization within the fifty years of the $25,000,000 allocated by the act to flood control.

Your third question is as follows:

Must provision be made for payment out of the power proceeds, during the fifty-year period of amortization of interest upon the principal of the $25,000,000 allocated to flood control? If so, should interest start to run from the first appropriation made from the General Treasury to the Colorado River Dam fund?

With respect to the matter of interest upon the principal of the $25,000,000 allocated to flood control, the act is very ambiguous. I have had great difficultly in reaching a satisfactory conclusion as to what Congress intended in respect of this item. The act is susceptible of any one of three interpretations:

First. That no interest is to be paid under any circumstances or out of any source of revenue on the $25,000,000 allocated to flood control, or

Second. That such interest must be paid and that it is payable annually during the fifty-year period of amortization and that the power rates should be fixed at a high enough figure to pay such interest during the fifty-year period, or

Third. That it was the intention of Congress that interest should be paid on the principal of the amount allocated to flood control, but that such interest is not required to be paid absolutely during the fifty-year period and is only to be paid, as is the principal of the item, out of 62½ per cent of excess earnings, if any, during the fifty-year period and out of the 62½ per cent net earnings after the expiration of that period.

It does not seem reasonable to suppose that Congress intended to make the payment of interest on the $25,000,000 allocated to flood control an absolute charge during the fifty years when it left the payment of the principal to the chance that there might be excess earnings during that period. I am inclined to believe that Congress intended that interest should be ultimately paid on the $25,000,000 allocated to flood control from the same source as is provided for the payment of the principal, to wit: Out of 62½ per cent of the excess earnings during the fifty-year period and out of 62½ per cent of the net earnings thereafter.

The word "thereon" in section 4 (b) following the word "interest" in the phrase "all amounts advanced to the fund under subdivision (b) of section 2 for such works, together with interest thereon made reimbursable under this act" apparently limits the requirement, with respect to interest, to interest on such principal sums as are embraced within the scope of the paragraph.

A construction of the act as not absolutely requiring the fixing of rates high enough to cover the payment of interest during the fifty-year amortization

period upon the $25,000,000 allocated to flood control is entirely consonant with the apparent purposes of Congress in adopting the amendment which made that allocation, namely, to discharge a governmental obligation to provide flood control, and to make the project more probably feasible by reducing the amount which would have to be amortized out of revenues obtained from power and water at the dam.

It does not seem necessary to pass further upon the question of the ultimate payment of interest, as I am of the opinion that if such interest is ultimately payable, the act does not require you to make provision for its payment out of power proceeds during the fifty-year period of amortization.

Respectfully,

WILLIAM D. MITCHELL, *Attorney General.*

THE HONORABLE THE SECRETARY OF THE INTERIOR.
Department of the Interior, Washington, D. C.

[ITEM 113]

BOULDER CANYON PROJECT

OPINION OF THE SOLICITOR OF THE DEPARTMENT OF THE INTERIOR

JANUARY 6, 1930

UNITED STATES DEPARTMENT OF THE INTERIOR,

OFFICE OF THE SOLICITOR,
Washington, D. C., January 6, 1930.

THE HONORABLE THE SECRETARY OF THE INTERIOR.

MY DEAR MR. SECRETARY: You have asked me to consolidate in one memorandum my views on the following 16 questions, the majority of which have been covered in separate memoranda submitted to you from time to time as the problems arose.

Your questions and my opinions on them follow:

(1) *What is meant by the term "public interest" as used in the Act? What body of people comprise the public as the act uses the term? Is the "interest" referred to as "public" the Government's responsibility to the whole people of the United States, or is it the interest of the area to be immediately served by Boulder Dam power, or is it the interest of a particular part of that area?*

The term "public interest" is used in section 5 (c) of the Boulder Canyon project act as follows:

> In case of conflicting applications if any, such conflicts shall be resolved by the said Secretary, after hearing, *with due regard to the public interest,* and in conformity with the policy expressed in the Federal water power act as to conflicting applications for permits and licenses except that preference to applicants for the use of water and appurtenant works and privileges necessary for the generation and distribution of hydroelectric energy or for delivery at the switchboard of a hydro-

electric plant shall be given, first, to a State for the generation or purchase of electric energy for use in the State, and the States of Arizona, California, and Nevada shall be given equal opportunity as such applicants.

The same term "public interest" is used in the Federal water power act, as follows:

Preferences in issuance of preliminary permits or licenses.— * * * the commission shall give preference to applications therefor by States and municipalities, provided the plans for the same are deemed by the commission equally well adapted, or shall within a reasonable time, to be fixed by the commission, be made equally well adapted to conserve and utilize in the *public interest* the navigation and water resources of the region; * * *.

"Public interest" is one of those broad terms like "public policy" capable of different legitimate interpretations in the discretion of the officer called upon to administer it. The "interest" referred to is, primarily, the Government's responsibility, financial and otherwise, to all the people of the United States for the greatest good to be derived from this project, the cost of which is to be advanced from the Public Treasury. Secondarily, the term excludes confinement of the benefits of Boulder Dam power to one locality out of the many which comprise the "region" capable of service. The term "public interest" is the dominant consideration, a check upon the preferences mentioned in the two acts. It is necessarily a source of broad discretionary power in the Secretary.

(2) *Does "public interest" include the necessity for making a good business contract which will guarantee the return of the investment within fifty years? If the "preference right" of States and municipalities would require the making of a contract which is less sound as a matter of business than a contract offered by a privately owned public utility, which consideration is the Secretary required to regard as dominant, the public interest or the preference right of the State or municipality?*

To the first question I answer yes. Money provided by taxes from the entire United States constitutes the sum placed at risk by this Federal investment. When contracts are made for its repayment as required by section 4 (b) the primary "public interest" is in the soundness of the contracts and the solvency of the contractor, not in the corporate or municipal character of that contractor. If one bidder can obligate itself by a contract whose enforceability is unquestionable, and the financial future of another bidder is uncertain or its legal capacity is questionable, public interest obviously requires acceptance of the sounder bidder. All preferences are subordinate to this public interest. It is only when two bidders can both offer a satisfactory contract from a business viewpoint that the Secretary must or should base his choice between them on claimed preferences.

(3) *Is the Secretary required to accept the highest bid made for power by a reputable bidder, or must he take into consideration what constitutes a reasonable return under all attendant circumstances, including "competitive conditions at distributing points or competitive centers"?*

The Secretary is not required to accept the highest bid if that bid is in excess of the price which can be realized for the power under competitive conditions at competitive centers.

The act specifically provides [sec. 5 (a)]—

> Contracts made pursuant to subdivision (a) of this section shall be made with a view of obtaining reasonable returns and shall contain provisions whereby at the end of fifteen years from the date of their execution, and every ten years thereafter, there shall be readjustment of the contract, upon the demand of either party thereto, either upward or downward as to price, as the Secretary of the Interior may find to be justified by competitive conditions at distributing points or competitive centers and with provisions under which disputes or disagreements as to interpretation or performance of such contract shall be terminated either by arbitration or court proceedings, the Secretary of the Interior being authorized to act for the United States in such readjustments or proceedings.

The selling standard is to be "reasonable returns," not "all the traffic will bear." The phrase "shall be made with a view to obtaining reasonable returns" was in fact a specific amendment to this section (Cong. Rec., Senate, Dec. 14, 1928, p. 618), and clearly indicates the selling basis deemed to be feasible and most in line with public interest and the equitable distribution of benefits of Boulder Dam power. In deciding what a "reasonable return" may be it is proper to look to the language of the same section respecting renewals; 15 years from the date of execution of the original contract it may be renewed at a price revised "either upward or downward," as the Secretry of the Interior may find to be "justified by competitive conditions at distributing points or competitive centers." If this is to be the standard 15 years after execution, it is just to assume that it would also be a fair standard at the time of execution. Indeed, it is the only standard consistent with sound business and the execution of an enforceable contract with a solvent bidder. If the bidder can not sell his power in competition with other sources he is not a desirable source for reimbursement of the Federal expenditure. A "reasonable return" must be justified by "competitive conditions" or it is not reasonable. An unreasonably high return at the risk of bankruptcy of the bidder is not a sound basis for a contract required to be made in the "public interest."

(4) *Does a municipality or a State have a preference for power which it proposes to sell outside its boundaries, as against a bid for power by a privately owned utility proposing to sell in the same area outside the boundaries? May an allocation of power to a municipality be conditioned on use within the city limits?*

The preference of either a State or municipality for allocation of power in conflict with a privately owned public utility must rest upon section 5 (c) of the Boulder Canyon project act. That section provides:

> In case of conflicting applications, if any, such conflicts shall be resolved by the said Secretary, after hearing with due regard for the public interest, and in conformity with the policy expressed in the Federal water power act as to conflicting applications for permits and licenses, except that preference to applicants for the

use of water and appurtenant works and privileges necessary for the generation and distribution of hydroelectric energy and for delivery at the switchboard of a hydroelectric plant shall be given, first, to a State for the generation or purchase of electric energy for use within the State, and the States of Arizona, California, and Nevada shall be given equal opportunity as such applicants.

By this section the policy of the Federal water power act is made the standard, with one exception in favor of States. The water power act's (41 Stat. 1063) provisions regarding preferences are again quoted below for convenience (sec. 7):

Preferences in issuance of preliminary permits or licenses.—In issuing preliminary permits hereunder or licenses where no preliminary permit has been issued and in issuing licenses to new licensees under section 808 of this chapter the commission shall give preference to applications therefor by States and municipalities, provided the plans for the same are deemed by the Commission equally well adapted, or shall within a reasonable time to be fixed by the commission be made equally well adapted, to conserve and utilize in the public interest the navigation and water resources of the region; and as between other applicants, the commission may give preference to the applicant the plans of which it finds and determines are best adapted to develop, conserve, and utilize in the public interest the navigation and water resources of the region, if it be satisfied as to the ability of the applicant to carry out such plans.

The exception may be disposed of first. It is "preference * * * shall be given, first to a State for the generation or purchase of electric energy for use in the State and the States of Arizona, California, and Nevada shall be given equal opportunity as such applicants." As this exception specifically confines the States' preference to "energy for use in the State" it is clear that a State is entitled to no preference for power which it proposes to sell outside its borders unless that preference can be found in the Federal water power act.

What is the "policy" of that act as regards preferences? It is clear that certain conditions precedent are to be met by any preference claimant before the preference will be recognized:

(1) The "public interest" is the paramount consideration, to which the preference is subordinate and with which it must not conflict. The meaning of "public interest" has been suggested in answer to your first question.

(2) The preference applicant's "plans" must be "equally well adapted" or within a reasonable time "made equally well adapted, to conserve and utilize in the public interest the navigation and water resources of the region."

When a body of citizens organized as a municipality or State indicate, by establishment of a publicly owned power system, their preference to buy power from themselves for use in the State or city, as against buying it from a public utility owned by others, it is clear that the "public interest" should sanction that choice.

But does the "public interest" require that consumers living outside the municipality or State should be required to obey the choice of those living within it and buy power from that source rather than from a privately owned

public utility? The "preference" of the municipality is a preference in consumptive right, not in merchandising advantage. Outside its own borders, a State or municipal corporation, reselling power, is on a parity with any other public utility selling in that territory. It is not entitled to elect, on behalf of consumers who are not its citizens, whether those consumers shall buy from it or from another company. If it does seek to make that election for them, its decision has not the dignity of a "preference" within the "policy of the Federal water power act," but has the status of a competitive offer. That "policy" is to conserve and utilize in the public interest the navigation and water resources "of the region;" consumers outside the State or city limits, but within the "region" accessible to Boulder Dam power, are as much within the protection of that policy as consumers within it. It is open to question whether, if all the power available were requested by a municipality for its own use, on the one hand, and all the power were requested by a public utility for use outside the city limits, on the other hand, whether the "public interest" would permit the water resources "of the region" (the "region" including by hypothesis both municipal and suburban territory) to be preempted by the urban body of citizens as against the suburban simply on the ground that the first body was organized as a municipal corporation, whereas the second body of consumers is served by a privately owned public utility. Certainly as between these two bodies of consumers the Secretary has discretion to make an equitable apportionment of the power if it is not sufficient to satisfy the demands of both. *A fortiori,* if a city claims the right, in addition to serving its own citizens, to demand power for resale outside its borders to consumers now served by a public utility which is applying for the same power, no preference need be recognized.

See *Mono Power Co. et al.* v. *City of Los Angeles et al.* (284 Fed. 784, C. C. A., 9th, 1922; certiorari denied, 262 U. S. 751.) In that case the City of Los Angeles brought condemnation proceedings against water rights and rights of way owned by the Mono Power Co., and the Southern Sierras Power Co., all outside the city limits, for use of the city. It was alleged by the city that "it is necessary for the city to provide additional electric energy for the present and future needs of said city and its inhabitants, for the purpose of heat, light, and power," and that the "public interest" required the city to condemn all rights to the waters of the Owens River, and also the company's right of way adjoining it. The company, in answer, alleged that the right of way sought to be condemned had been appropriated by the company as a public utility to the use of other towns to which it furnished electricity. The trial court permitted condemnation of the water rights and right of way. The Circuit Court of Appeals reversed this decision.

After citing code sections, including C. C. P., section 1240, to the effect that property appropriated to the use of a county, city and county, incorporated city or town, or municipal water district, can not be taken by any other county,

etc., while such property is so appropriated and used for public purposes, the Circuit Court of Appeals said:

> The theory upon which a municipal corporation may condemn and appropriate to a public use the property of a private corporation engaged in serving such municipality or its inhabitants is that the private corporation is using its property for a public use for a profit, and that the municipality has the right, in the interest of itself and its inhabitants, as an economical administrator of municipal affairs, to perform this public service itself and thus eliminate the profits of the private corporation.
>
> That is not this case. The defendant is not rendering any public service to the City of Los Angeles or its inhabitants, and it does not propose to do so. Defendant's transmission and distributing lines do not extend into the City of Los Angeles, and it has not proposed to so extend them. The property of the defendant has been appropriated to the public use of other counties, municipalities, incorporated cities and towns, and the inhabitants thereof, and not for the City of Los Angeles or its inhabitants. * * *

In other words, it was held (by the trial court) that the public use of a municipal corporation for the City of Los Angeles was a more necessary use than the public use of a private corporation for any other county, municipality, incorporated city or town.

Counsel for the plaintiff stated their contention upon this question very succinctly as follows:

> The law of the State presumes that the use of property by a municipality is a higher use than the use of it by a private corporation.

The court asked: "Suppose that they" (referring to the defendant) "show that their use is for a municipality?" to which counsel replied:

> We anticipated that counsel would urge that point, and we are prepared to show your honor that that is not the law as we conceive it, and confidently believe that the preference is between a private corporation and a public corporation, regardless of who that private corporation may be serving.

Referring to the trial court's decision, the court said (p. 795):

> "* * * we are of the opinion that the legislature recognized the distinction, and purposely used the broader phrase, 'property appropriated to the use of' to include an appropriation by a private corporation, as well as an appropriation by a county, city and county, etc." * * *

In short, this case holds that the statutes of California specifically prohibit condemnation by a municipality of property owned outside its borders by a privately owned public utility, which property is already appropriated to the use of other counties or incorporated cities by the company. If the statutes of California, in a case where the city of Los Angeles claims a preference to water rights outside its borders, as against a privately owned public utility serving other communities, specifically prohibit the recognition of such a preference, it is not clear why the "policy of the Federal water power act" should grant a greater preference in a similar "region."

It is true, of course, that in the case of Mono Power Co. v. City of Los Angeles, the city endeavored to condemn a vested right of the public utility, whereas in this case the city and the utility are competing for a right not yet vested in either of them. But the policy to be honored in either case is the same: If the city may not even by due process of law and for adequate compensation take away the power resources by which a public utility serves other communities, no reason appears why it should have a preference for their acquisition in the first instance. If the "public interest" will not divest other municipalities of the service of a privately owned public utility, it is not apparent why it should prevent them from acquiring that service. The theory in the one case, says the court, is that "the municipality has the right, in the interest of itself and its inhabitants, as an economical administrator of municipal affairs, to perform this public service itself and thus eliminate the profits of the private corporation." But a preference right to eliminate the profits of the private corporation exacted from the municipality's citizens is not a preference right to go outside the municipal boundaries and substitute itself for the corporation as a profit taker, no saving being worked to the benefit of the suburban area. That area has no interest in increasing the revenues of Los Angeles in preference to maintaining the revenues of the public utility now serving them under State regulation.

In conclusion, although a municipality, like any other corporation, may be allocated power for resale in the Secretary's discretion, it is not entitled to any preference as a matter of right for power which it proposes to sell outside the city limits. The allocation of power by the Secretary to the municipality may therefore be conditioned on use within the city limits, and, indeed, should be, as against a competing bidder which already has a distribution system in the area in which the city would have to dump the power unused by itself. There may be cases in which this limitation should be relaxed and the city permitted to resell small fluctuating excesses, in order to equalize the load. Such a relaxation would not extend to granting the city a preference for the full amount of its peak load. A municipality, like any marketer of power, must expect to provide adequate stand-by service for the protection of its consuming public. The suburban consuming area of its public utility rival is not a legitimate dumping ground for unused power. So much for municipalities, in view of the cited decision. As for States, their rights appear to be coupled by the language of the Federal water power act with those of municipalities. The same two conditions precedent, "public interest" and conservation of the "water resources of the region" must be met. Having met them, a State would appear to be in the same shoes as a municipality as far as any of the preceding discussion goes, except that in the case of conflict between a State and one of its own municipalities it seems that the State would have a preference, because it would have the capacity by legislation to deprive the municipality of legal capacity to compete with it as a bidder.

But as between a State and a municipality of any other State, the two would be on a parity; and neither the State nor the municipality would have a preference against one another or against a public utility as to power which the State or municipality may propose to sell outside its borders.

(5) *Does section 5 (c) of the act give the States of Nevada, Arizona, and California, or any other State, two separate and independent preference rights, as follows: (a) One under section 7 of the Federal water power act, under which power purchased may be sold either within the State or outside wherever a market may be found; and (b) another under the clause beginning with the word "except" occurring about the middle of this subsection?*

No.

A strong reason would be required to justify a conclusion that in one act the one subject of preference to States should be treated in two independent and parallel channels, one being the normal one adopted from the Federal water power act and the other a new preference, and that the restrictions of the act as to the exercise of States' preference should be meant to apply only to this new creature.

The Boulder Canyon project act's language is as follows:

> In case of conflicting applications, if any, such conflicts shall be resolved by the said Secretary, after hearing, with due regard to the public interest, and in conformity with the policy expressed in the Federal water power act as to conflicting applications for permits and licenses, except that preference to applicants for the use of water and appurtenant works and privileges necessary for the generation and distribution of hydroelectric energy, or for delivery at the switchboard of a hydroelectric plant, shall be given, first, to a State for the generation or purchase of electric energy for use in the State, and the States of Arizona, California, and Nevada shall be given equal opportunity as such applicants.

This is followed by the qualification:

> The rights covered by such preference shall be contracted for by such State within six months after notice by the Secretary of the Interior and to be paid for on the same terms and conditions as may be provided in other similar contracts made by said Secretary.

Whatever preference is given to the States by the Federal water power act is carried over into the Boulder Canyon project act; and clearly this would be the only preference which might be claimed if the language quoted stopped with the word "except." This exception is in favor of a State for generation or purchase of electric energy *for use in the State.* It is claimed that this *exception* constitutes an *addition;* or entirely separate preference in favor of Arizona, California, and Nevada, unrelated to that granted by the Federal water power act, and that the restriction "for use in the State" applies only to the exception; that the State may, if it wishes, ignore this new preference and apply for power in accordance with the preference given by the Federal water power act; and that that preference is unrestricted as to the place where the power may be used.

Such a construction is strained and unnecessary. The primary intention of the exception was apparently to place a State in a preferred position, as opposed to a competing municipality, in view of the possible parity of these two classes of applicants under the language of the Federal water power act, previously quoted.

The words "for use in the State" provided as assurance that the State, by this concession, was not to be enabled to embark on the power-distribution business outside its borders and indicated an intent by Congress to devote power secured under this preference to intrastate development and benefit. It has been argued that the addition of this phrase here means that the preference conferred by the water power act is not so limited, and therefore that there are two preferences available, one unrestricted as to use and the other restricted. If so, the preference specifically created by the project act, restricted as to use, is less valuable than that previously available. Analysis thus indicates that the importance of the new preference language lies in its distinction between States and municipalities, not in any distinction as to place of use. This distinction was important in view of the fact that competing applications were expected from the States of Arizona and Nevada, on the one hand, and the municipality of Los Angeles, organized under the laws of California, on the other hand. Had the only anticipable conflict been between a municipality and a State to which it was subject, this exception would have been unnecessary, the State being in such case unquestionably dominant. This language preserved the rights of Arizona and Nevada as superior to those of Los Angeles, provided both should meet the conditions of the Federal water power act. But to indicate that no greater concession from the policy of the Federal water power act was intended, the restriction "for use in the State" was added.

(6) *If two separate and independent preference rights are given to the States as outlined in the preceding question, does not any State in the Colorado River Basin, or elsewhere, possess the same preference right that Nevada, Arizona, and California may claim? Under this provision, do not all States and all municipalities stand on a parity? To what extent, if any, are such rights qualified by the requirement that "due regard must be given to the public interest"?*

As indicated in replies to other questions, it is my opinion that two separate and independent preference rights are not conferred upon the States interested. It appears to have been the intent of the language of section 5 (c) following the word "except" to convey a limited preference upon the three lower basin States. The compact divided the Colorado Basin into two parts, the upper and the lower basins. The lower basin comprised the three States named in said paragraph; the upper basin, the remaining four. A division of the water was effected by the upper and lower basins. The upper basin has its own power possibilities and certain provisions of the Boulder Dam act look to the ultimate utilization and development of those possibilities. Possibly for this reason as well as the relative remoteness of the other States, Congress confined the

preference given in 5 (c) to the three lower basin States. Outside of the preference so conferred, the three States as well as the upper basin States are on a parity with municipalities under the provisions of the Federal water power act, subject to the limitations and conditions expressed in the answer to question 4.

As "the public interest" is made the dominant consideration in any event by the Boulder Canyon project act and by the "policy of the Federal water power act," the above language should not be construed to mean that any State as an applicant has an absolute right to all or any part of Boulder Dam power. If "the public interest" requires an allocation among various claimants, the Secretary is free to make it.

(7) *Within what time must contracts be executed with States claiming a preference right? Does the word "such" in line 1, second paragraph, subsection 5 (c) refer to all preference rights that may be claimed by a State, whether asserted under the Federal water power act or the special preference rights given by subsection 5 (c), if it be held that two separate and independent preference rights may be claimed by States?*

The language of the Boulder Canyon project act referred to is as follows:

> Th rights covered by such preference shall be contracted for by such State within six months after notice by the Secretary of the Interior and to be paid for on the same terms and conditions as may be provided in other similar contracts made by said Secretary.

It may be assumed at the outset that a State is entitled to the same time within which to contract as is a municipality. No time limit is placed upon the power of a municipality to contract. The quoted time limitation against the State must therefore be construed to apply against the special exception made in favor of the State. This exception, as stated above, refers to a case of conflict between a State and a municipality outside the State. In other words, within six months, a State presenting plans equally well adapted as those of the competing municipality and equally consistent with the public interest, might claim power in preference to the municipality. After six months, the State reverts to the parity with outside municipalities established by the Federal water power act. The State, after the lapse of six months, may, nevertheless, assert whatever preference a municipality might claim; prior to that time its preference right is superior to that of a competing municipality.

(8) *In general, what discretion is permitted to the Secretary by the preference clause of the act?*

This general question is answered specifically under the foregoing questions. In general, the Secretary must be controlled by the public interest; the public interest requires the "conservation and utilization of the navigation and water resources of the region;" the "region" is the region having physical access to Boulder Dam. The public interest requires, first, financial security of the United States, and, second, equality of access to Boulder Dam power by areas

composing the region in proportion to the needs of the applicants; provided, their plans for its utilization and conservation are equally well adapted. Once these conditions are met and the question is one of apportionment between the applicants whose demands for power are equally consistent with the public interest (meaning by that term the financial security of the United States and the equable distribution of Boulder Dam benefits within the "region"), and only then does the allocation of power pass from the realm of the Secretary's discretion into the area of rigid legal rights.

In view of the contention submitted by the State of Nevada that it is entitled to preference for one-third of the power for sale where it pleases, as against the Secretary's tentative allocation to that State of 18 per cent of the power to be used within the State, it is interesting to refer to the following committee amendment offered in the House (Cong. Rec., May 25, 1928, p. 10232), as an amendment to section 8:

> Page 13, line 9, strike out the period, insert a colon, and the following: "Provided further, that in the event no such compact is entered into prior to June 1, 1928, then there shall be reserved for acquisition by the States of Arizona and Nevada, their respective agents, licensees, or assignees, at the switchboard, at the plant or plants operated through the use of water impounded by said dam for each, electrical energy equivalent to 15 per cent of the total electrical energy made available by the use of such impounding water, to be contracted for by said respective States, or their agents, licensees, or assignees, within six months after notice by the Secretary of the Interior, and to be paid for as and when said electrical energy is ready for delivery. If said plant or plants are operated by the Government, then said electrical energy shall be delivered on the terms and charges provided in the general regulations for delivery of electrical energy at the switchboard to municipal corporations and political subdivisions."
>
> MR. SWING. Mr. Chairman, the committee amendment just reported by the Clerk has been recalled by the committee, and we wish to have that amendment voted down.
>
> THE CHAIRMAN. The question is on agreeing to the committee amendment.
>
> The committee amendment was rejected.

Rejection by Congress of an amendment which would have substituted a specific allocation in lieu of the Secretary's discretion is some indication of the extent of the discretionary power to make allocations which the act intended to vest in him. If Congress declined to allocate 15 per cent of the total to Nevada, and the Secretary in his discretion has tentatively allocated 18 per cent, no good reason appears for reading into the act a mandate that Nevada shall be entitled to 33⅓ per cent.

(9) *Need a municipality applying for power be granted a preference if the plan for utilization of power which it presents conflicts with a plan presented by another applicant, which the Secretary regards as better adapted to conserve and utilize the power capable of development? In considering which plan is better adapted for such utilization and conservation, what factors should be considered: Production, transmission, distribution (i.e., meeting the needs of the region), financing, or only some of these elements?*

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The first part of this question can be answered categorically "No," in view of the discussion above. All preferences are conditioned under the Federal water power act upon satisfaction of the public interest, and equal adaptability to conservation and utilization of the navigation and water resources of the region. If the plan of one applicant in these respects is superior to the other the question of preference does not arise, because conditions precedent to its exercise have not been discharged. As to the second part of the question, the Secretary has the broadest possible discretion in deciding which of two conflicting plans is better adapted for such utilization and conservation. If they are identical in financial security to the United States, the contest between them may be as to their economic value to the "region." Decision of this question, of course, is entirely within the discretion of the Secretary. If one applicant proposes to use all the power at the dam in promoting new industries and another applicant proposes to use a part of the power for distribution of water for human use, and a third applicant wishes to use the power for irrigation, pumping and the needs of established industries, and a fourth asks the power for use of an urban population, manifestly there is no rule of thumb which will dictate what allocation to each of these purposes best "utilizes and conserves" the "water resources" assuming that the "region" means the region having physical access to Boulder Dam power. If, in the Secretary's discretion, the competing plans are equal as to finances and economic justification, their physical features may be his reason for choice between them. Examining these features, even if the plans are identical in generating equipment, it does not necessarily follow that they are "equally well adaptable" to conserve the power, for they may differ in plans for transmission, distribution, etc. It has been suggested that if the dam and the power plant are erected by the United States and the electrical machinery must meet United States specifications, then the "plans" are identical, and the question is resolved into one of rigid legal preferences as between applicants, based on the Federal water power act. To state this contention is to refute it; it would require complete elimination of the "public interest" as a factor, whereas it is clear that under both acts it is the dominant factor.

(10) *Is there any distinction between the preference to which the City of Los Angeles, on the one hand, and other municipalities, on the other hand, are entitled?*

No. Any distinction between the city of Los Angeles, on the one hand, and other municipalities, on the other, would have to be clearly stated in the act before it could be recognized. No such distinction appears and the city of Los Angeles is nowhere mentioned by name. Both the city and other municipalities must meet the test of public interest and adaptability of their plants to conserve and utilize the water resources of the region. If municipalities were, for any reason, entitled to all of the power available, save for the preference of a State, Los Angeles and the other municipalities would be required to yield pro rata to make up the allocation taken for the competing State.

(11) *Is the Secretary authorized to fix reasonable requirements as to financing, which must be met by all applicants, whether municipalities or privately owned public utilities?*

Yes. If, as assumed above, the dominant public interest is the obligation of the United States to the whole people, it necessarily follows that the financial obligation of the United States to secure the refunding of Federal moneys, as provided by the act, is one of the Secretary's primary responsibilities. The fixing of financial requirements and rigid examination of the financial status of competing bidders is not only within the Secretary's discretion but is an absolute obligation resting upon him. (See sec. 5, providing for "general and uniform regulations.") If a bidder can not meet the reasonable financial requirements of the Secretary, can not meet scrutiny of its organization or legal capacity, it does not satisfy the public interest and its claimed preference may be and should be ignored.

(12) *Is a corporation whose stock is held by a State entitled to whatever preference the State would have if applying directly?*

A corporation is not a State; it is a separate entity though all its stock be owned by a State. Specific preferences not granted to corporations are granted to States by the two acts. An amendment to include "legal subdivisions" along with "States" in the preference provision for States in section 5 (c) adopted in the House (Cong. Rec., p. 10024, May 24, 1928) does not appear in the act as passed. And a State-owned corporation performing nongovernmental functions is scarcely to be "preferred" to a State-created legal subdivision distributing power to its citizens as a quasi-administrative function.

The Secretary, in receiving the bid of a corporation, would not be required to go back of the corporate entity to discover who its stockholders might be, nor to grant the corporation a preferred status if such examination should disclose that a State is one stockholder or the only stockholder. Without specific recognition in either act of such unusual creature we may assume that a State, wishing to claim the benefits granted by the act to "States" should claim them in its own right and not in the right of its creature.

(13) *Are the preference rights of the States or municipalities assignable? May an assignment of such preference rights be made before a valid, binding contract is executed with the State for the power claimed as a preference right?*

This question must be answered in the negative. A preference right accorded a State is a preference "for the use of water and appurtenant works and privileges" or, in the alternative, "for delivery at the switchboard * * * of electric energy." [Sec. 5 (c)]. As to the manner by which such right shall be acquired see the first sentence of the same subsection 5 (c). That subsection begins "*Contracts* for the use of water * * * or for sale and delivery of electric energy shall be made with responsible applicants therefor who will pay the price fixed by the said Secretary * * *." These "applicants" are applicants for *contracts.*

Manifestly, until a contract has been offered by an "applicant" who is a member of a preferred class no preference right has arisen. The whole policy of the Federal water power act in granting preferences to States and municipalities was to protect them in their right to eliminate private profit in the furnishing to their citizens of services which they could themselves supply if given the opportunity. No intent is shown to pass this preference privilege on to corporations or private persons for their private profit. As such classes are not beneficiaries of the express policy of the Federal water power act they can not be made so by the wish of the State expressed in an assignment. Moreover it is a well-established principle that preference rights are not assignable.

So much for the situation before the State has actually executed a contract with the Secretary. After execution of such a contract the "policy of the Federal water power act," and the dominant public interest, remain in as full force as before. The State may assign its contract or resell its power; but the Secretary is not obligated to recognize any assignee, sublessee, or purchaser, any rights superior to those of the original contractor as to place of use, quantity of power, or any other conditions which have been accepted by the State in the contract.

The preference right itself is not assignable either before or after the execution of a contract by the State. A contract obtained in exercise of this preference right is assignable, subject to all restrictions and conditions contained in the original contract, and without diminution of the State's liability to the United States and without waiver of the requirement of financial and legal capacity of the assignee.

(14) *If a State presents an application under section 7, of the Federal water power act, which is in conflict with that of a municipality, is there any difference in status between the two applicants? If the plans are identical, is the Secretary required to allocate the power to the State? If so, would he be required to insert a stipulation that the power should be used within the State?*

This question has been discussed in detail in answer to Questions 4, 5, and 6 above. The answer may be summarized: A State, and a municipality of another State, both presenting applications under section 7 of the Federal water power act, stand on a basis of equality. If the conflict is between applications of a State and a municipality of that same State, the right of the State is superior, inasmuch as the municipality is its creature and possesses the capacity to make application only by sufferance of the State. If the conflict is between a State and a municipality foreign to it, the Secretary may make an equitable allocation between them in accordance with the public interest and in accordance with what, in his discretion, appears the best method of conserving and utilizing the water resources of the region. If the municipality lies with the competing State, and these two are the only bidders, the power should be allocated in full to the State. Whether some or all the power is claimed by a State no preference right exists save as to power which the State proposes to use

within its borders, whether the application is presented under section 7 of the Federal water power act or under a supposed distinct preference, arising out of section 5 (c) of the Boulder Canyon project act. The Secretary consequently may incorporate in the allocation to the State a stipulation that the power be used within the State.

(15) *If Los Angeles and other municipalities, including the Metropolitan Water District, can not now execute enforceable contracts meeting reasonable financial requirements of the Secretary, what would be the duty of the Secretary under the provisions of the act that an application is not to be denied because of necessity for a bond issue, and providing for reasonable time for passage of such bond issue? Would he be authorized to make contracts with other bidders preserving to the preference claimants the right to contract for part of the power if enforceable contracts are tendered within a designated time?*

Section 5 (c) contains the following proviso:

> Provided, however, That no application of a State or a political subdivision for an allocation of water for power purposes or of electrical energy shall be denied or another application in conflict therewith be granted on the ground that the bond issue of such State or political subdivision, necessary to enable the applicant to utilize such water and appurtenant works and privileges necessary for the generation and distribution of hydroelectric energy or the electrical energy applied for, has not been authorized or marketed, until after a reasonable time, to be determind by the said Secretary, has been given to such applicant to have such bond issue authorized and marketed.

This proviso does not relieve either the State or a political subdivision from the necessity for compliance of its application with the public interest nor from adaptability of its plans to the conservation and utilization of the water resources of the region. If these conditions have been met and the State or political subdivision has proved its right to an allocation, whether for power purposes or electrical energy, this proviso protects the State or political subdivision from foreclosure of such right on the ground of non-authorization of a bond issue or failure to market a bond issue until the expiration of a reasonable time therefor is determined by the Secretary. As to what a reasonable time may be, probably the minimum time now provided by the laws of the State may be looked to. This proviso, however, is not designed to tie the hands of the Secretary pending the authorization and marketing of the bond issue, so long as the right of the preference claimants to contract for the power allocated to them is preserved. He can not grant "any other application in conflict therewith." As an "application" is an application for a contract, the prohibition against granting another application is a prohibition against execution of another contract *"in conflict therewith."* But, if another applicant offers a contract which preserves in full the right of the preference claimant to contract within a reasonable time, when, as and if the necessary bond issue is authorized or marketed, the two applications are not "in conflict." The necessity for flood control makes it to the interest of all parties that the project be initiated and

completed at the earliest possible date. To the furtherance of this end the Secretary is plainly empowered to make the necessary contracts required by section 4 (b) at the earliest possible date. Contracts to that end which specifically reserve to the Secretary the power to make further contracts with the preference claimants for the power which he has allocated to them, since they are not "in conflict therewith," are within his authority.

(16) *What is the proper construction of section 16 of the act?*

Section 16 of the act must be construed in connection with section 15. These two sections read:

> SEC. 15. The Secretary of the Interior is authorized and directed to make investigation and public reports of the feasibility of projects for irrigation, generation of electric power, and other purposes in the State of Arizona, Nevada, Colorado, New Mexico, Utah, and Wyoming for the purpose of making such information available to said States and to the Congress, and of formulating a comprehensive scheme of control and the improvement and utilization of the water of the Colorado River and its tributaries. The sum of $250,000 is hereby authorized to be appropriated from said Colorado River Dam fund, created by section 2 of this act, for such purposes.
>
> SEC. 16. In furtherance of any comprehensive plans formulated hereafter for the control, improvement, and utilization of the resources of the Colorado River system and to the end that the project authorized by this act may constitute and be administered as a unit in such control, improvement, and utilization, any commission or commissioner duly authorized under the laws of any ratifying State in that behalf shall have the right to act in an advisory capacity to and in cooperation with the Secretary of the Interior in the exercise of any authority under the provisions of sections 4, 5, and 14 of this act, and shall have at all times access to records of all Federal agencies empowered to act under said sections, and shall be entitled to have copies of said records on request.

Section 15 authorizes investigations with a view to *"formulating a comprehensive scheme* of control and improvement and utilization of the water of the Colorado River and its tributaries" and authorizes appropriation therefor. Section 16 provides certain steps in furtherance of any *"comprehensive plan formulated hereafter* for the control, improvement, and utilization of the resources of the Colorado River System and to the end that the project authorized by this act may constitute and be administered as a unit of such control, improvement, and utilization." The phrases "comprehensive scheme" and the "comprehensive plan formulated hereafter" both relate to the same thing.

The purpose of the two sections is to provide liaison between the present understaking, administered by the Secretary of the Interior, and future development of the river during formulation of plans for such developments. It was not the intention of section 16 to superimpose upon the authority and discretion of the Secretary of the Interior, everywhere else made the basis of administration, th control and supervision of a group of commissioners whose number, place and time of meeting, responsibility and authority, are unprovided for. The right of the commissioners is to advise and cooperate in the correlation of the present

undertaking with future undertakings; it is not a right to direct the Secretary in the administration of the present work. He is not required to convene these commissioners, nor to seek their approval or ratification for any act of his. He is only required to grant them access to the records of his department. They may tender him advice but he is in nowise obliged to act thereon contrary to his own judgment.

Respectfully,

(Signed) E. C. FINNEY, *Solicitor.*

[ITEM 114]

BOULDER CANYON PROJECT

OPINION OF THE ATTORNEY GENERAL

JUNE 9, 1930

DEPARTMENT OF JUSTICE,
Washington, D. C.

SIR: I have the honor to acknowledge receipt of your communication of June 6, 1930, transmitting a letter dated June 6, 1930, from the Secretary of the Interior, advising that, as required by section 4 (b) of the Boulder Canyon project act (45 Stat. 1057) a contract has been secured with the City of Los Angeles, its Department of Water and Power, and the Southern California Edison Co. (Ltd.), which will provide revenue adequate in his judgment to pay operation and maintenance costs and insure the repayment to the United States within fifty years from the completion of the dam, power plant, and related works, of all amounts to be advanced for the construction of such works, together with the interest thereon made reimbursable by the act, and that in addition two contracts have been secured with the Metropolitan Water District of Southern California which will provide additional revenues for such purpose, and requesting that the opinion of the Attorney General be obtained as to whether or not these contracts comply with all the requirements of section 4 (b) of the Boulder Canyon project act which are by that section made conditions precedent to the appropriation of money, the making of contracts, and the commencement of work for the construction of a dam and power plant in Boulder Canyon.

Responsive to your request for my opinion upon these questions, I have the honor to advise you as follows:

Section 4 (b) of the Boulder Canyon project act provides:

> (b) Before any money is appropriated for the construction of said dam or power plant, or any construction work done or contracted for, the Secretary of the Interior

shall make provision for revenues by contract, in accordance with the provisions of this act, adequate in his judgment to insure payment of all expenses of operation and maintenance of said works incurred by the United States and the repayment, within fifty years from the date of the completion of said works, of all amounts advanced to the fund under subdivision (b) of section 2 for such works, together with interest thereon made reimbursable under this act.

The contracts in question are:

(1) A contract dated April 26, 1930, between the United States of America and the City of Los Angeles and the Southern California Edison Co. (Ltd.), entitled "Contract for Lease of Power Privilege," as amended by supplemental contract dated May 28, 1930.

(2) A contract dated April 26, 1930, between the United States of America and the Metropolitan Water District of Southern California, entitled "Contract for Electrical Energy," as amended by a supplemental contract dated May 31, 1930.

(3) A contract dated April 24, 1930, between the United States of America and the Metropolitan Water District of Southern California, entitled "Contract for Delivery of Water."

The "Contract for Lease of Power Privilege," as amended, recites:

(1) This contract, made this 26th day of April, 1930, pursuant to the act of Congress approved June 17, 1902 (32 Stat. 388), and acts amendatory thereof and supplementary thereto all of which acts are commonly known and referred to as the Reclamation Law and, particularly, pursuant to the act of Congress approved June 21, 1928 (45 Stat. 1057), designated the Boulder Canyon project act, between the United States of America, hereinafter referred to as the United States, acting for this purpose by Ray Lyman Wilbur, Secretary of the Interior, hereinafter styled the Secretary, and severally, the City of Los Angeles, a municipal corporation and its Department of Water and Power (said department acting herein in the name of the city but as principal in its own behalf as well as in behalf of the city; the term city as used in this contract being deemed to mean both the City of Los Angeles and its Department of Water and Power) and the Southern California Edison Co. (Ltd.), a private corporation, hereinafter styled the company, both of said corporations being organized and existing under the laws of the State of California and hereinafter styled the lessees.

The original and supplemental contracts for lease of power privilege were executed in the name of the City of Los Angeles, acting by and through its board of water and power commissioners, by the president of the board. The supplemental contract contains a recital that it was the intention that the Department of Water and Power of the City of Los Angeles, as well as the City of Los Angeles, should be firmly bound as principals by the original contract of April 26, 1930, and the parties adopt and reaffirm the original contract as amended. The Department of Water and Power Commissioners, by the president of the board, executed the supplemental contract.

There have been submitted to me certified copies of resolutions adopted by the board of water and power commissioners, and of resolutions and ordinances

adopted by the council of the City of Los Angeles authorizing the execution of these contracts. Section 386 of the charter of the City of Los Angeles provides that contracts shall not be made without advertising for bids; but this section does not apply to contracts such as those here in question relating to a matter about which there is no competition and where advertising for bids would have been futile. Los Angeles Gas & Electric Corp. v. City of Los Angeles, 188 Cal. 307, 319. In my opinion the ordinances and resolutions were sufficient to authorize the president of the board of water and power commissioners to execute the contracts.

In substance the contract as amended imposes upon the city acting by and through its Department of Water and Power, and therefore upon the department itself—First: The obligation, when the dam is completed and the generating equipment has been installed by the Government, to take over as lessee the generating plant and operate it, paying as rental in ten annual installments the cost to the United States of the generating equipment, with interest at 4 per cent. Second: The obligation to pay for electrical energy, as furnished, at stated rates. Third: An obligation to operate and maintain at cost the transmission lines required for transmitting power to the pumping plants of the Metropolitan Water District, and to transmit over its main transmission line the power allocated to others, for compensation based on a reasonable share of the cost of construction, operation, and maintenance. As none of the transmission lines have been built, performance of these obligations will require their construction.

Under the provisions of the charter of the City of Los Angeles the Department of Water and Power is specifically authorized to construct, operate, maintain, extend, manage, and control works and property for the purpose of supplying the city and its inhabitants with water and electric energy. To this department of the city government is entrusted full responsibility and control in entering into such contracts as those herein involved. Quite in conformity with the charter provisions the city, in its execution of the original and supplemental contracts for lease of power privilege, is described as acting by and through its board of water and power commissioners. The contract as amended is therefore to be regarded as made in the name of the city, but subject to all of the provisions of the charter of the City of Los Angeles relating to contracts executed by the Department of Water and Power, and the question of the validity of this contract and the character of the resources available to secure its performance must be determined from a consideration of the power of the board of water and power commissioners of the Department of Water and Power to make such a contract, and the sufficiency of the resources of the city which are specifically allocated under the terms of the charter to its control and expenditure in the performance of the obligations of such contracts.

Under the charter of the City of Los Angeles revenues for such purposes as those contemplated by these contracts are provided through the operations of

the Department of Water and Power, which, although an entity separate from the city for some purposes (Shelton v. City of Los Angeles, 275 Pac. 421) is a department of the city government. Its revenues are revenues of the city, but are allocated to the control and disposition of the department.

The charter provisions which are pertinent in this connection are as follows:

SEC. 220. The Department of Water and Power shall have the power and duty—

(1) To construct, operate, maintain, extend, manage, and control works and property for the purpose of supplying the city and its inhabitants with water and electric energy, or either, and to acquire and take, by purchase, lease, codemnation or otherwise, and to hold, in the name of the city, any and all property situated within or without the city, and within or without the State, that may be necessary or convenient for such purpose.

(2) To regulate and control the use, sale, and distribution of water and electric energy owned or controlled by the city; the collection of water and electric rates, and the granting of permits for connections with said water or electric works; and to fix the rates to be charged for such connections; and, subject to the approval of the council by ordinance, to fix the rates to be charged for water or electric energy for use within or without the city, and to prescribe the time and the manner of payment of the same. * * *

* * * * * * *

(7) To control and order, except as otherwise in this charter provided, the expenditure of all money received from the sale or use of water, or from any other source in connection with the operation of said water works, and all money received from the sale or use of electric energy, or from any other source in connection with the operation of said electric works; provided, that all such money pertaining to said water works shall be deposited in the city treasury to the credit of a fund to be known as the "water revenue fund," and all such money pertaining to said electric works shall be deposited in the city treasury to the credit of a fund to be known as the "power revenue fund"; and the money so deposited in each such fund shall be kept separate and apart from other money of the city, and shall be drawn only from said fund upon demands authenticated by the signature of the chief accounting employee of the board.

SEC. 221. None of the money in or belonging to the water revenue fund or the power revenue fund shall be appropriated or used for any purpose except the following purposes pertaining to the municipal works from or on account of which such money was received, to wit:

FIRST. For the necessary expenses of operating and maintaining such works.

SECOND. For the payment of the principal and interest, or either, due or coming due upon outstanding notes, certificates, or other evidences of indebtedness issued against revenues from such works, in pursuance of Sec. 224, or bonds or other evidences of indebtedness, general or district, heretofore or hereafter issued for the purpose of such works, or parts thereof.

THIRD. For the necessary expenses of constructing, extending and improving such works, including the purchase of lands, water rights, and other property; also the necessary expenses of conducting and extending the business of the department pertaining to such works; also for reimbursement to another bureau on account of services rendered, or material, supplies, or equipment furnished; also for expenditures for purposes for which bonds, or evidences of indebtedness provided for in section 224,

shall have been authorized, subject to reimbursement as soon as practicable, from monies derived from the sale or issuance of such bonds or evidences of indebtedness.

FOURTH. To return and pay into the general fund of thre city, from time to time, upon resolution of the board, from any surplus money in either such revenue fund, any sums paid by the city from funds raised by taxation for the payment of the principal or interest of any municipal bonds issued by the city for or on account of the municipal works to which such revenue fund pertains, or of liability arising in connection with the construction, operation or maintenance of the municipal works to which said fund pertains.

FIFTH. For defraying the expenses of any pension system applicable to the employees of the department, that shall be established by the city.

FIFTH (a). For establishing and maintaining a reserve fund to insure the payment at maturity of the principal and interest on all bonds now outstanding or hereafter issued for the purpose of the municipal works, and such other reserve funds pertaining to such works as the board may provide for by resolution subject to the approval of the council by ordinance. The money set aside and placed in such fund or funds so created shall remain in said fund or funds until expended for the purposes thereof and shall not be transferred to the "reserve fund" of the city.

SIXTH. To be transferred as provided in section 382 of this charter.

SEC. 222. The board shall provide for the cost of extensions and betterments of said water works and electric works from the funds derived from the sale of bonds, general or district, so far as such funds shall be made available for the use of the board for said purposes, and so far as such funds shall not be made available for the use of the board therefor, from revenues received from the works to which such extensions and betterments pertain, and from the proceeds of loans contracted as provided by section 224.

* * * * * * *

SEC. 382. At the close of each fiscal year the controller and treasurer shall transfer all surplus money remaining in each fund over and above the amount of outstanding demands and liabilities payable out of such fund to the "reserve fund," except such surplus money as is in the several bond funds, interest and sinking funds, trust funds, the fire and police pension fund, the harbor revenue fund, the library fund, the park fund, the permanent improvement fund, the playground and recreation fund, the power revenue fund and the water revenue fund, but the council may by ordinance direct that any or all said surplus money in either the harbor revenue fund, the power revenue fund or the water revenue fund be transferred to such reserve fund with the consent of the board in charge of such fund, but not otherwise.

Leaving entirely out of consideration the proceeds from the sale of bonds, which would no doubt require, under section 18 of article 11 of the State constitution, the approval of two-thirds of the electors, and leaving entirely out of consideration the proceeds of loans contracted as provided by section 224 of the city charter, which are authorized only for emergency purposes, and bearing in mind that the Department of Water and Power is not authorized to levy taxes; it is apparent that its resources are limited to its earnings from the sale or use of water and of electric energy, and that over these revenues it has complete control of expenditure for the construction, operation, and maintenance of all works and property for the purpose of supplying the city and its inhabitants with water and electric energy.

I am advised by the Secretary of the Interior that yearly revenues of this department are more than ample to meet all of its liabilities under the original and amended contracts, and, therefore, to relieve the city of any necessity of financing the obligations which will arise under these contracts; that these revenues under the Department of Water and Power are not only amply sufficient for this purpose, but its yearly earnings will in his judgment be amply sufficient to provide for the construction of the transmission lines as well.

The only limitation upon the expenditure of such funds by this department is found in section 369 of the charter of the City of Los Angeles, which reads:

> No department, bureau, division, or office of the city government shall make expenditures or incur liabilities in excess of the amount appropriated therefor.

The method of appropriation is, however, provided in section 83 as follows:

> The board of each department * * * the finances of which are not included in the general budget, but which department itself has control of definite revenues or funds, as elsewhere in this charter set forth, shall, prior to the beginning of each fiscal year, adopt an annual departmental budget and make an annual departmental budget appropriation, covering the anticipated revenues and expenditures of said department. Such departmental budget shall conform, as far as practicable, to the forms and times provided in this charter for the general city budget. Each such budget shall contain a sum to be known as the "unappropriated balance," which sum shall be available for appropriation by the board later in the ensuing fiscal year to meet contingencies as they may arise. A copy of such budget, when adopted, and of every resolution subsequently adopted making appropriation from said unappropriated balance, shall promptly be filed with the mayor and controller, each. No expenditures shall be made or financial obligations incurred by any such department except as authorized by the annual departmental appropriation, or appropriations made subsequent to said annual budget.

Question arises under section 369 of the charter as to whether by the execution of the original and amended contracts a present liability was incurred for the payments to be made thereunder in the future. No authorities have been found construing this charter provision, but similar questions have often arisen under section 18 of article 11 of the constitution of the State of California, and although this constitutional limitation has no application to contracts made by the Department of Water and Power these authorities must be considered in determining the effect of section 369 of the charter upon the validity of the contracts here in question.

Section 18 of article 11 of the constitution of California provides:

> No county, city, town, township, board of education, or school district shall incur any indebtedness or liability in any manner or for any purpose exceeding in any year the income and revenue provided for such year, without the assent of two-thirds of the qualified electors thereof, voting at an election to be held for that purpose, nor unless before or at the time of incurring such indebtdeness provision shall be made for the collection of an annual tax sufficient to pay the interest on such indebtedness as it falls due, and also provision to constitute a sinking fund for the payment of the principal thereof on or before maturity, which shall not exceed forty years from the

time of contracting the same; * * *. Any indebtedness incurred contrary to any provision of this section shall be void; * * *.

The obvious purpose of this limitation is to prevent the city from incurring indebtedness in excess of its yearly revenue, and the question has often arisen in the courts of California as to when an indebtedness or liability is incurred, within the meaning of this provision, when a contract is executed requiring payments to be made from time to time in the future.

There is authority for the proposition that when a municipality receives the entire consideration for its promise to make payments or incur expenditures in the future, a liability is immediately incurred under the provisions of the State constitution. See Chester v. Carmichael, 187 Cal. 287; In re City and County of San Francisco, 195 Cal. 426; Mahoney v. City and County of San Francisco, 201 Cal. 248. But a municipality does not incur an "indebtedness" or "liability" invalid under the constitutional provision when it enters into a contract to pay for services as and when rendered from time to time in the future. The obligations here involved to pay rental and power rates can not be said to be incurred until the rental accrues and the power is received. Such liabilities are held, for the purpose of this constitutional provision, to be incurred when the services have been rendered and the obligation to pay for them arises. See McBean v. Fresno, 112 Cal. 195; Smilie v. Fresno County, 112 Cal. 311; Doland v. Clark, 143 Cal. 176; In re City and County of San Francisco, 191 Cal. 172; compare Walla Walla v. Walla Walla Water Co., 172 U. S. 1.

It may, however, be said that if a contract imposes upon the municipality liabilities to arise in the future which in any year will necessarily exceed the income and revenue provided for such year, it will be invalid. The courts have held that the aggregate of all payments which will be required under such a contract is not to be regarded as a liability presently incurred upon the execution of the contract, and thus incurred within the year of its execution; but they have not held that a municipality may, in the face of the constitutional limitation incur future liabilities which will exceed the income and revenue for the year in which payment thereof will be required, and so to hold would appear to be in direct contradiction of the express provision of the constitution.

The city acting through its Department of Water and Power will be under the necessity to construct transmission lines over which the power for which it has agreed to pay may be transmitted, but in so far as the parties to this contract are concerned it is under no express obligation to do so. Under no circumstances will it be necessary for the city to construct transmission lines in advance of the completion of the dam and generating equipment, and, if, therefore, it appears that during this period it will be able to finance such construction out of current revenues of its Department of Water and Power, I am of the opinion that no legal objection can be made to the contract as amended because of the necessity or liability which may arise to defray these construction costs.

Consideration of these authorities leads to the conclusion that the Department of Water and Power has not incurred a present liability upon the execution of these contracts, and therefore the only effect of section 369 is to require the appropriation in each annual budget of sufficient funds from the water and power revenues to meet the obligations which will arise under and in connection with the performance of these contracts. Inasmuch as the Secretary of the Interior is clearly of the opinion that such funds will be available and ample for all such purposes, I see no reason for doubting the validity of the contract or for questioning its effect in securing payment to the United States of the amounts of money which will become payable under its terms.

With reference to the validity of the obligation assumed by the Southern California Edison Co. (Ltd.), its execution of the original contract has been formally approved by its board of directors, and I am informed that the supplemental contract has been duly ratified by the board. There can be no question, therefore, as to the binding effect of this contract upon this corporation.

By the supplemental agreement amending the original Contract for Lease of Power Privilege all objections which might have been raised to the validity of this contract upon the ground that the city, the Department of Water and Power and the company are not bound to take or pay for any electrical energy except as they might wish, have been removed. Mutuality of obligation is not lacking, and the city and its department are firmly bound to take and/or pay for certain percentages of firm energy as stated and defined in the supplemental contract and the company is similarly bound to take or pay for certain percentages of such energy which are also defined and stated in the supplemental contract.

The Contract for Lease of Power Privilege between the United States, the City of Los Angeles, its Department of Water and Power, and the Southern California Edison Co. (Ltd.) is in my opinion a valid agreement binding upon the City and its department to the extent to which funds are available under the provisions of the charter to the department, and is in full compliance with section 4 (b) of the Boulder Canyon project act, since the revenues which it will provide out of such funds are in the judgment of the Secretary of the Interior adequate to meet the requirements of that section.

Objection has been made to the Metropolitan Water District power contract on the ground that the district has not yet voted bonds to provide funds to build the aqueduct on which this power would be used. It is unnecessary to consider which step must precede the other—provision for the aqueduct or provision for power and water—in view of the sufficiency of the city and company contracts to meet all requirements of the act. Even if the aqueduct financing were construed as being a prerequisite, the Secretary's reservation of energy for the District is within his authority under the second paragraph of section 5 (c) of the act.

Giving consideration only to the city and company contract, I am of the opinion that all the requirements of section 4 (b) of the Boulder Dam project

act which are made conditions precedent to the appropriation of money, the making of contracts and the commencement of work for the construction of a dam and power plant in Boulder Canyon have been fully met and performed by the Secretary of the Interior in securing the contracts referred to in his letter.

Respectfully,

(Signed) WILLIAM D. MITCHELL, *Attorney General.*

THE PRESIDENT,
The White House.

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[ITEM 115]

BOULDER CANYON PROJECT

OPINION OF THE COMPTROLLER GENERAL

OCTOBER 10, 1930

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D. C., October 10, 1930.

THE ATTORNEY GENERAL STATE OF ARIZONA,
Phoenix, Ariz.

SIR: Consideration has been given the contentions and arguments advanced on behalf of the State of Arizona in briefs and discussions by Mr. Dean G. Acheson, of the firm of Covington, Burling & Rublee, who it appears has been appointed special assistant to the attorney general of the State of Arizona, said contentions and arguments being to the effect that no part of the appropriation of $10,660,000 made for the commencement of the Boulder Dam project in the deficiency act of July 3, 1930 (46 Stat. 877), should be expended for the construction work of the dam or power plant because the condition precedent to such expenditure, as required by section 4 (b) of the Boulder Canyon project act of December 2, 1928 (45 Stat. 1059), has not been complied with.

The provisions of said section 4 (b), relied upon by the State of Arizona, are as follows:

> Before any money is appropriated for the construction of said dam or power plant, or any construction work done or contracted for, the Secretary of the Interior shall make provision for revenues by contract, in accordance with the provisions of this act, adequate in his judgment to insure payment of all expenses of operation and maintenance of said works incurred by the United States and the repayment, within fifty years from the date of the completion of said works, of all amounts advanced to the fund under subdivision (b) of section 2 for such works, together with interest thereon made reimbursable under this act.

The contention made on behalf of the State of Arizona is that the contracts entered into for the raising of revenues, in compliance with the provisions of

this section, are not legally valid and enforceable contracts and, therefore, are not contracts in accordance with the provisions of the Boulder Canyon project act.

The instruments entered into by the Secretary of the Interior in order to comply with the provisions of section 4 (b) of the act are: (1) Contract lease and power privilege dated April 26, 1930, amended May 28, 1930, between the United States and the City of Los Angeles and Southern California Edison Co. (Ltd.) ; (2) contract for electrical energy dated April 26, 1930, amended May 28, 1930, between the United States and the Metropolitan Water District of Southern California; and (3) contract for delivery of water, dated April 24, 1930, between the United States and the Metropolitan Water District of Southern California.

It is admitted by all concerned that the last-mentioned contract is a mere option on the part of the Metropolitan Water District of Southern California to take water if and when available and with respect to that instrument, no question is raised or presented by the State of Arizona for consideration at this time. With respect to the contract with the Metropolitan Water District of Southern California for electrical energy the Secretary of the Interior has stated that such contract is not necessary in his judgment to provide adequate revenues to repay the United States for advances to be made, the first contract with the City of Los Angeles and the Southern California Edison Co. being sufficient for the purpose. Therefore, the discussion herein will be limited to this last-mentioned contract. It should be noted in this connection that section 4 of the act, *supra,* leaves the matter as to adequacy of the revenues to the judgment of the Secretary of the Interior. It may be stated, also, that the amendment of May 28, 1930, in the two contracts first mentioned, was at the instance and direction of the Subcommittee of the House Committee on Appropriations when the appropriation item here under consideration was before it for hearings so as to provide in specific terms the minimum amount of power the contractors were required and obligated to take and/or pay for, no specific provision for that purpose being incorporated in the contracts as originally executed.

The opening clause of the contract with the City of Los Angeles and the Southern California Edison Co., in so far as concerns the City of Los Angeles, states that the contract is entered into with the City of Los Angeles, a municipal corporation, and its department of water and power, said department acting in the name of the city but as principal in its own behalf as well as in the behalf of the city, the term "city" as used in the contract being deemed to be both the City of Los Angeles and its department of water and power. It appears that section 18 of article 11 of the constitution of California forbids a city or other municipality from incurring any indebtedness exceeding in any one year the income and revenue provided in such year without the favorable vote of two-thirds of the electors. The courts have held, however, that this

provision does not apply to the department of water and power of the city but only to the city corporation proper, the department of water and power having a separate legal entity and being authorized under the city charter to collect, obligate, and dispose of its funds for the purposes for which it was created. At the hearings before the Subcommittee of the House Committee on Appropriations it was stated that the City of Los Angeles, as a municipal corporation, was mentioned in the contract so as to provide a proper financial backing for the execution of the contract which is to last 50 years, but opinions have been expressed that the contract does not bind the city, in so far as concerns the taxing power, not only because of the provision in the constitution of California, herein cited, but because a contract such as has been entered into would be construed as a contract with the city with reference to its department of water and power.

The matter as to the validity of the contract was submitted to the Attorney General of the United States, at the instance of the Subcommitee of the House Committee on Appropriations. The Attorney General rendered an opinion on June 9, 1930, holding, in substance, that the contract for the lease and power privilege between the United States and the City of Los Angeles, its department of water and power, and the Southern California Edison Co. is a valid agreement binding upon the city and its department to the extent to which funds are available under the provisions of the charter to the department and is in full compliance with section 4 (b) of the Boulder Canyon project act, since the revenues which it will provide out of such funds are, in the judgment of the Secretary of the Interior, adequate to meet the requirements of that section. In the course of the opinion it was said:

> In substance the contract as amended imposes upon the city acting by and through its Department of Water and Power, and therefore upon the department itself—First: The obligation, when the dam is completed and the generating equipment has been installed by the Government, to take over as lessee the genrating plant and operate it, paying as rental in ten annual instalments the cost to the United States of the generating equipment, with interest at 4 per cent. Second: The obligation to pay for electrical energy, as furnished, at stated rates. Third: An obligation to operate and maintain at cost the transmission lines required for transmitting power to the pumping plants of the Metropolitan Water District, and to transmit over its main transmission line the power allocated to others, for compensation based on a reasonable share of the cost of construction, operation, and maintenance. As none of the transmission lines have been built, performance of these obligations will require their construction.
>
> Under the provisions of the charter of the City of Los Angeles the Department of Water and Power is specifically authorized to construct, operate, maintain, extend, manage, and control works and property for the purpose of supplying the city and its inhabitants with water and electric energy. To this department of the city government is entrusted full responsibility and control in entering into such contracts as those here involved. Quite in conformity with the charter provisions of the city, in its execution of the original and supplemental contracts for lease of power privilege, is described as acting by and through its board of water and power commissioners.

The contract as amended is therefore to be regarded as made in the name of the city, but subject to all of the provisions of the charter of the City of Los Angeles relating to contracts executed by the Department of Water and Power, and the question of the validity of this contract and the character of the resources available to secure its performance must be determined from a consideration of the power of the board of water and power commissioners of the Department of Water and Power to make such a contract, and the sufficiency of the resources of the city which are specifically allocated under the terms of the charter to its control and expenditure in the performance of the obligations of such contracts.

Under the charter of the City of Los Angeles revenues for such purposes as those contemplated by these contracts are provided through the operations of the Department of Water and Power, which, although an entity separate from the city for some purposes (Shelton v. City of Los Angeles, 275 Pac. 421), is a department of the city government. Its revenues are revenues of the city, but are allocated to the control and disposition of the department.

The charter provisions which are pertinent in this connection are as follows:

SEC. 220. The Department of Water and Power shall have the power and duty—

(1) To construct, operate, maintain, extend, manage, and control works and property for the purpose of supplying the city and its inhabitants with water and electric energy, or either, and to acquire and take, by purchase, lease, condemnation or otherwise, and to hold, in the name of the city, any and all property situated within or without the city, and within or without the State, that may be necessary or convenient for such purpose.

(2) To regulate and control the use, sale, and distribution of water and electric energy owned or controlled by the city; the collection of water and electric rates, and the granting of permits for connections with said water or electric works; and to fix the rates to be charged for such connections; and, subject to the approval of the council by ordinance, to fix the rates to be charged for water or electric energy for use within or without the city, and to prescribe the time and the manner of payment of the same. * * *

* * * * * * *

(7) To control and order, except as otherwise in this charter provided, the expenditure of all money received from the sale or use of water, or from any other source in connection with the operation of said waterworks, and all money received from the sale or use of electric energy, or from any other source in connection with the operation of said electric works; provided, that all such money pertaining to said waterworks shall be deposited in the city treasury to the credit of a fund to be known as the "water revenue fund," and all such money pertaining to said electric works shall be deposited in the city treasury to the credit of a fund to be known as the "power revenue fund"; and the money so deposited in each such fund shall be kept separate and apart from other money of the city, and shall be drawn only from said fund upon demands authenticated by the signature of the chief accounting employee of the board.

SEC. 221. None of the money in or belonging to the water revenue fund or the power revenue fund shall be appropriated or used for any purpose except the following purposes pertaining to the municipal works from or on account of which such money was received, to wit:

FIRST. For the necessary expenses of operating and maintaining such works.

SECOND. For the payment of the principal and interest, or either, due or coming due upon outstanding notes, certificates, or other evidences of indebtedness issued

against revenues from such works, in pursuance of section 224, or bonds or other evidences of indebtedness, general or district, heretofore or hereafter issued for the purpose of such works, or parts, thereof.

THIRD. For the necessary expenses of constructing, extending, and improving such works, including the purchase of lands, water rights and other property; also the necessary expenses of conducting and extending the business of the department pertaining to such works; also for reimbursement to another bureau on account of services rendered, or material, supplies, or equipment furnished; also for expenditures for purposes for which bonds, or evidences of indebtedness provided for in section 224, shall have been authorized, subject to reimbursement as soon as practicable, from moneys derived from the sale or issuance of such bonds or evidences of indebtedness.

FOURTH. To return and pay into the general fund of the city, from time to time, upon resolution of the board, from any surplus money in either such revenue fund, any sums paid by the city from funds raised by taxation for the payment of the principal or interest of any municipal bonds issued by the city for or on account of the municipal works to which such revenue fund pertains, or of liability arising in connection with the construction, operation, or maintenance of the municipal works to which said fund pertains.

FIFTH. For defraying the expenses of any pension system applicable to the employees of the department that shall be established by the city.

FIFTH (a). For establishing and maintaining a reserve fund to insure the payment at maturity of the principal and interest on all bonds now outstanding or hereafter issued for the purpose of the municipal works, and such other reserve funds pertaining to such works as the board may provide for by resolution subject to the approval of the council by ordinance. The money set aside and placed in such fund or funds so created shall remain in said fund or funds until expended for the purposes thereof and shall not be transferred to the "reserve fund" of the city.

SIXTH. To be transferred as provided in section 382 of this charter.

SEC. 222. The board shall provide for the cost of extensions and betterments of said water works and electric works from the funds derived from the sale of bonds, general or district, so far as such funds shall be made available for the use of the board for said purposes, and so far as such funds shall not be made available for the use of the board therefor, from revenues received from the works to which such extensions and betterments pertain, and from the proceeds of loans contracted as provided by section 224.

* * * * * * *

SEC. 382. At the close of each fiscal year the controller and treasurer shall transfer all surplus money remaining in each fund over and above the amount of outstanding demands and liabilities payable out of such fund to the "reserve fund," except such surplus money as is in the several bond funds, interest and sinking funds, trust funds, the fire and police pension fund, the harbor revenue fund, the library fund, the park fund, the permanent improvement fund, the playground and recreation fund, the power revenue fund and the water revenue fund, but the council may by ordinance direct that any or all said surplus money in either the harbor revenue fund, the power revenue fund, or the water revenue fund be transferred to such reserve fund with the consent of the board in charge of such fund, but not otherwise.

Leaving entirely out of consideration the proceeds from the sale of bonds, which would no doubt require, under section 18 of article 11 of the State constitution, the approval of two-thirds of the electors, and leaving entirely out of consideration the

proceeds of loans contracted as provided by section 224 of the city charter, which are authorized only for emergency purposes, and bearing in mind that the Department of Water and Power is not authorized to levy taxes—it is apparent that its resources are limited to its earnings from the sale or use of water and of electric energy, and that over these revenues it has complete control of expenditure for the construction, operation, and maintenance of all works and property for the purpose of supplying the city and its inhabitants with water and electric energy.

I am advised by the Secretary of the Interior that yearly revenues of this department are more than ample to meet all of its liabilities under the original and amended contracts, and, therefore, to relieve the city of any necessity of financing the obligations which will arise under these contracts; that these revenues under the Department of Water and Power are not only amply sufficient for this purpose, but its yearly earnings will in his judgment be amply sufficient to provide for the construction of the transmission lines as well.

The only limitation upon the expenditure of such funds by this department is found in section 369 of the charter of the City of Los Angeles, which reads:

No department, bureau, division, or office of the city government shall make expenditures or incur liabilities in excess of the amount appropriated therefor.

The method of appropriation is, however, provided in section 83 as follows:

The board of each department * * * the finances of which are not included in the general budget, but which department itself has control of definite revenues or funds, as elsewhere in this charter set forth, shall, prior to the beginning of each fiscal year, adopt an annual departmental budget and make an annual departmental budget appropriation, covering the anticipated revenues and expenditures of said department. Such departmental budget shall conform, as far as practicable, to the forms and times provided in this charter for the general city budget. Each such budget shall contain a sum to be known as the "unappropriated balance," which sum shall be available for appropriation by the board later in the ensuing fiscal year to meet contingencies as they may arise. A copy of such budget when adopted, and of every resolution subsequently adopted making appropriation from said unappropriated balance, shall promptly be filed with the mayor and controller, each. No expenditure shall be made or financial obligations incurred by any such department except as authorized by the annual departmental appropriation, or appropriations made subsequent to said annual budget.

Question arises under section 369 of the charter as to whether by the execution of the original and amended contracts a present liability was incurred for the payments to be made thereunder in the future. No authorities have been found construing this charter provision, but similar questions have often arisen under section 18 of article 11 of the constitution of the State of California, and although this constitutional limitation has no application to contracts made by the Department of Water & Power, these authorities must be considered in determining the effect of section 369 of the charter upon the validity of the contracts here in question.

Section 18 of article 11 of the constitution of California provides:

No county, city, town, township, board of education, or school district shall incur any indebtedness or liability in any manner or for any purpose exceeding in any year the income and revenue provided for such year, without the assent of two-thirds of the qualified electors thereof, voting at an election to be held for that purpose, nor unless before or at the time of incurring such indebtedness provision shall be made for the collection of an annual tax sufficient to pay the interest on such indebtedness as it falls due, and also provision to constitute a sinking fund for the payment of the principal thereof on or before maturity, which shall not exceed forty years

from the time of contracting the same; * * *. Any indebtedness incurred contrary to any provision of this section shall be void; * * *.

The obvious purpose of this limitation is to prevent the city from incurring indebtedness in excess of its yearly revenue, and the question has often arisen in the courts of California as to when an indebtedness or liability is incurred, within the meaning of this provision, when a contract is executed requiring payments to be made from time to time in the future.

There is authority for the proposition that when a municipality receives the entire consideration for its promise to make payments or incur expenditures in the future, a liability is immediately incurred under the provisions of the State constitution. See Chester v. Carmichael, 187 Cal. 287; In re City and County of San Francisco, 195 Cal. 426; Mahoney v. City and County of San Francisco, 201 Cal. 248. But a municipality does not incur an "indebtedness" or "liability" invalid under the constitutional provision when it enters into a contract to pay for services as and when rendered from time to time in the future. The obligations here involved to pay rental and power rates can not be said to be incurred until the rental accrues and the power is received. Such liabilities are held, for the purpose of this constitutional provision, to be incurred when the services have been rendered and the obligation to pay for them arises. See McBean v. Fresno, 112 Cal. 195; Smilie v. Fresno County, 112 Cal. 311; Doland v. Clark, 143 Cal. 176; In re City and County of San Francisco, 191 Cal. 172; Compare Walla Walla v. Walla Walla Water Co., 172 U. S. 1.

It may, however, be said that if a contract imposes upon the municipality liabilities to arise in the future which in any year will necessarily exceed the income and revenue provided for such year, it will be invalid. The courts have held that the aggregate of all payments which will be required under such a contract is not to be regarded as a liability presently incurred upon the execution of the contract, and thus incurred within the year of its execution; but they have not held that a municipality may, in the face of the constitutional limitation incur future liabilities which will exceed the income and revenue for the year in which payment thereof will be required, and so to hold would appear to be in direct contradiction of the express provision of the Constitution.

The city, acting through its Department of Water and Power, will be under the necessity to construct transmission lines over which the power for which it has agreed to pay may be transmitted, but in so far as the parties to this contract are concerned it is under no express obligation to do so. Under no circumstances will it be necessary for the city to construct transmission lines in advance of the completion of the dam and generating equipment, and, if, therefore, it appears that during this period it will be able to finance such construction out of current revenues of its Department of Water and Power, I am of the opinion that no legal objection can be made to the contract as amended because of the necessity or liability which may arise to defray these construction costs.

Consideration of these authorities leads to the conclusion that the Department of Water and Power has not incurred a present liability upon the execution of these contracts, and therefore the only effect of section 369 is to require the appropriation in each annual budget of sufficient funds from the water and power revenues to meet the obligations which will arise under and in connection with the performance of these contracts. Inasmuch as the Secretary of the Interior is clearly of the opinion that such funds will be available and ample for all such purposes, I see no reason for doubting the validity of the contract or for questioning its effect in securing payment to the United States of the amounts of money which will become payable under its terms.

In the brief submitted on behalf of the State of Arizona it is agreed that the instrument does not impose a present liability or indebtedness but that, as is conceded in the opinion of the Attorney General, it purports to impose a present obligation to incur future liabilities and indebtednesses when the United States shall have furnished the consideration of building the dam and the power plants and, it is contended in effect that since the city is limited in its power to obligate its funds, the performance of the contract will be subject to such limitation and that the carrying out of the contract will have to depend entirely upon the city or its department of water and power each year appropriating or making funds available for the purpose, there being nothing compulsory in so far as the municipality is concerned, and no redress in the United States if the city or its Department of Water and Power refuse to perform.

The objectionable feature pointed out by the State of Arizona appears to be present in all cases in which a municipality or other governmental corporation is involved. In those cases the good faith of the corporation to a certain extent must be relied upon. To hold otherwise in the present case would require the City of Los Angeles or its Department of Water and Power to make available at this time not only funds to build a transmission line to conduct the power contracted for to the gates of the city but, also, the full amount required to fulfill the contract, which covers a period of 50 years. Such requirement would be considered unconscionable, not only because it would amount to penalizing the municipal corporation in that such a requirement could not be made in the case of a private corporation, when, as a matter of fact, under section 5 of the Boulder Canyon project act municipalities are entitled to certain preferential rights under certain conditions therein set forth, but because there is no way the city could compel the United States to perform its part of the agreement in the event it should be decided that the Boulder Canyon project should be abandoned and the money necessary to construct the dam and power plants not be appropriated. Furthermore, it is evident from the terms of the contract with the City of Los Angeles that payments thereunder, outside of the cost of the transmission line which is to be constructed by the city, are to be made, apparently, from the sale of the power furnished by the United States under the contract, and it appears that adequate provisions have been made for penalties and forfeitures in the event of nonpayment.

It should be noted in this connection that section 4 (b) of the Boulder Canyon project act provides that contracts for adequate revenues should be entered into before any money is appropriated for the construction of the dam and power plant, or any construction work done or contracted for. Notwithstanding an initial appropriation has now been made for the commencement of the work, which would apparently indicate that the Congress has determined that the condition has been complied with in so far as concerns the making of the appropriation, it is contended on behalf of the State of Arizona that the

fact that such an appropriation has been made is not conclusive evidence or proof that valid contracts have been entered into nor even that the appropriation was made based upon such promises and that the condition precedent applies to the different steps set forth in the act, namely (1), the making of appropriations, (2) the undertaking of construction work, and (3) the contracting for such construction work.

Whatever force these arguments may have, the condition precedent applies equally and with the same force and effect to the three steps. The specific direction in the act that the Secretary of the Interior should enter into contracts providing for adequate revenues to reimburse the United States for advances made or to be made for the maintenance, operation, cost of construction, etc., of the dam and power plants, etc., was a condition precedent to his asking Congress for an appropriation for the commencement of the construction work. When the appropriation here in question was under consideration by the Committees of the two Houses of the Congress, objections were made substantially on the same basis as are now made to this office, that the contracts were not such as would properly and adequately protect the Government. Notwithstanding these objections on the part and on behalf of the State of Arizona, the appropriation was made in the following terms:

> *Boulder Canyon project.*—For the commencement of construction of a dam and incidental works in the main stream of the Colorado River at Black Canyon, to create a storage reservoir, and of a complete plant and incidental structures suitable for the fullest economic development of electrical energy from the water discharged from such reservoir; to acquire by proceedings in eminent domain, or otherwise, all lands, rights of way, and other property necessary for such purposes; and for incidental operations, as authorized by the Boulder Canyon project act, approved December 21, 1928 (U. S. C., Supp. III, title 33, ch. 15A); $10,660,000 to remain available until advanced to the Colorado River Dam Fund, which amount shall be available for personal services in the District of Columbia and for all other objects of expenditure that are specified for projects included under the caption "Bureau of Reclamation" in the Interior Department Appropriation Acts for the fiscal years 1930 and 1931, without regard to the limitations of amounts therein set forth; provided, that of the amount hereby appropriated, not to exceed $100,000 shall be available for investigation and reports as authorized by section 15 of the Boulder Canyon project act.

It should be noted that the appropriation as made does not contain any limitations as to its use. If the Congress had in mind the fettering of the appropriation with the further requirement that other contracts should be entered into before the amount appropriated could be expended, it is reasonable to assume that adequate provisions would have been made in specific terms for the purpose. Taking into consideration the fact that no such restriction or limitation is contained in the appropriation, and, further, that compliance with the condition precedent in the Boulder Canyon project act was reserved by section 4 (b) of said act for the consideration of the Congress, it must be presumed, in view of the appropriation which has now been made, that the

Congress has in fact determined, and has been satisfied, that the law with respect to entering into those contracts has been complied with, not only in so far as concerns the making of the appropriation, but also with respect to the other two steps, that is to say, the beginning of the construction work and the contracting for such work.

The contentions and arguments made on behalf of the State of Arizona appear to be based primarily upon the future possibility of the municipality of the City of Los Angeles or one of its departments repudiating the obligations imposed by the contract. The good faith of the city is not specifically questioned, but to support these contentions it must be at least implied. Such matters are not for the consideration of this office in a question such as presented in the instant case. The City of Los Angeles and/or its department of water and power appear to have done in connection with this matter all that legally could be done under the limited power of the city charter to make a binding and valid contract, and to require more would be unreasonable and unconscionable. Furthermore, the question as to matters relating to the municipality making funds available for the carrying out of the contracts, etc., is one largely administrative for consideration at the proper time, and with which this office at this time, in view of the record as presented, would not feel justified in interfering.

Accordingly, in specific answer to the question submitted I have to advise that there appears to be nothing presented by the State of Arizona requiring or justifying a holding by this office that the appropriation made for the specific purpose of commencing construction of the dam and incidental work in connection with the Boulder Canyon project act is not available for that purpose. Therefore, no action will be taken to withhold approval of withdrawals of funds for such purpose.

Respectfully,

(Signed) J. R. McCarl,

Comptroller General of the United States.

[ITEM 116]

BOULDER CANYON PROJECT

OPINION OF THE UNITED STATES SUPREME COURT

STATE OF ARIZONA v. STATE OF CALIFORNIA ET AL.

MAY 18, 1931

[283 U. S. 423, 51 S. Ct. 522, 75 L. Ed. 1154]

MR. JUSTICE BRANDEIS delivered the opinion of the court.

The Boulder Canyon project act, December 21, 1928 (ch. 42, 45 Stat. 1057), authorizes the Secretary of the Interior, at the expense of the United States, to construct at Black Canyon on the Colorado River, a dam, a storage reservoir, and a hydroelectric plant; provides for their control management, and operation by the United States; and declares that the authority is conferred "subject to the terms of the Colorado River compact," "for the purpose of controlling the floods, improving navigation and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters thereof for reclamation of public lands and other beneficial uses exclusively within the United States, and for the generation of electrical energy as a means of making the project herein authorized a self-supporting and financially solvent undertaking."

The Colorado River compact is an agreement for the apportionment of the water of the river and its tributaries. After several years of preliminary informal discussion, Colorado, Wyoming, Utah, New Mexico, Arizona, Nevada, and California—the seven states through which the river system extends—appointed commissioners in 1921 to formulate an agreement; and Congress,

upon request, gave its assent, and authorized the appointment of a representative to act for the United States. Act of August 19, 1921 (ch. 72, 42 Stat. 171). On November 24, 1922, these commissioners and the Federal representative signed an agreement to become effective when ratified by Congress and the legislatures of all of these States. The Boulder Canyon project act approved this agreement subject to certain limitations and conditions, the approval to become effective upon the ratification of the compact, as so modified, by the legislatures of California and at least five of the six other States. The legislatures of all these States except Arizona ratified the modified compact and the act was accordingly declared to be in effect. Proclamation of June 25, 1929, 46 Stat. 20.

On October 13, 1930, Arizona filed this original bill of complaint against Ray Lyman Wilbur, Secretary of the Interior, and the States of California, Nevada, Utah, New Mexico, Colorado, and Wyoming. It charges that Wilbur is proceeding in violation of the laws of Arizona to invade its quasi-sovereign rights by building at Black Canyon on the Colorado River a dam, half of which is to be in Arizona, and a reservoir to store all the water of the river flowing above it in Arizona, for the purpose of diverting part of these waters from Arizona for consumptive use elsewhere, and of preventing the beneficial consumptive use in Arizona of the unappropriated water of the river now flowing in that State; that these things are being done under color of authority of the Boulder Canyon project act; that this act purports to authorize the construction of the dam and reservoir, the diversion of the water from Arizona, and its perpetual use elsewhere; that the act directs and requires Wilbur to permit no use or future appropriation of the unappropriated water of the main stream of the Colorado River, now flowing in Arizona and to be stored by the said dam and reservoir, except subject to the conditions and reservations contained in the Colorado River compact; and that the act thus attempts to enforce as against Arizona, and to its irreparable injury, the compact which it has refused to ratify. The bill prays that the compact and the act "and each and every part thereof, be decreed to be unconstitutional, void, and of no effect; that the defendants and each of them be permanently enjoined and restrained from enforcing or carrying out said compact or said act, or any of the provisions thereof, and from carrying out the three pretended contracts hereinabove referred to, or any of them, or any of their provisions, [meaning certain contracts executed by Wilbur on behalf of the United States for the use of the stored water and developed power after the project shall have been completed] and from doing any other act or thing pursuant to or under color of said Boulder Canyon project Act."

Process was made returnable on January 12, 1931; and on that day all of the defendants moved that the bill be dismissed. The ground assigned in the motions are (1) that the bill does not join the United States, an indispensable

party; (2) that the bill does not present any case or controversy of which the court can take judicial cognizance; (3) that the proposed action of the defendants will not invade any vested right of the plaintiff or of any of its citizens; (4) that the bill does not state facts sufficient to constitute a cause of action against any of the defendants. The case was heard on these motions.

The wrongs against which redress is sought are, first, the threatened invasion of the quasi-sovereignty of Arizona by Wilbur in building the dam and reservoir without first securing the approval of the State engineer as prescribed by its laws; and, second, the threatened invasion of Arizona's quasi-sovereign right to prohibit or to permit appropriation, under its own laws, of the unappropriated water of the Colorado River flowing within the State. The latter invasion, it is alleged, will consist in the exercise, under the act and the compact, of a claimed superior right to store, divert, and use such water.

FIRST. The claim that quasi-sovereign rights of Arizona will be invaded by the mere construction of the dam and reservoir rests upon the fact that both structures will be located partly within the State. At Black Canyon, the site of the dam, the middle channel of the river is the boundary between Nevada and Arizona. The latter's statutes prohibit the construction of any dam whatsoever until written approval of plans and specifications shall have been obtained from the State engineer; and the statutes declare in terms that this provision applies to dams to be erected in the United States. Arizona Laws 1929, ch. 102, secs. 1-4. See also Revised Code of 1928, secs. 3280-3286. The United States has not secured such approval; nor has any application been made by Wilbur, who is proceeding to construct said dam in complete disregard of this law of Arizona.

The United States may perform its functions without conforming to the police regulations of a State. *Johnson* v. *Maryland,* 254 U. S. 51; *Hunt* v. *United States,* 278 U. S. 96. If Congress has power to authorize the construction of the dam and reservoir, Wilbur is under no obligation to submit the plans and specifications to the State engineer for approval.[1] And the Federal Government has the power to create this obstruction in the river for the purpose of improving navigation if the Colorado River is navigable. *Pennsylvania* v. *Wheeling and Belmont Bridge Co.,* 18 How. 421, 430; *South Carolina* v. *Georgia,* 93 U. S. 4, 11; *Gibson* v. *United States,* 166 U. S. 269; United States v. Chandler-Dunbar Water Power Co., 229 U. S. 53, 64; *Greenleaf Johnson Lumber Co.* v. *Garrison,* 237 U. S. 251, 258-68. Arizona contends both that the river is not navigable, and that it was not the purpose of Congress to improve navigation.

The bill alleges that "the river has never been, and is not now, a navigable

[1] The further allegation that the proposed dam, reservoir, and power plants, when completed, may not be subject to the taxing power of Arizona, may be disregarded. The act provides that the title to such works shall remain forever in the United States, and such exemption is but an ordinary incident of any public undertaking by the Federal Government.

river." The argument is that the question whether a stream is navigable is one of fact; and that hence the motion to dismiss admits the allegation that the river is not navigable. It is true that whether a stream is navigable in law depends upon whether it is navigable in fact; United States v. Utah, 283 U. S. 64;[2] and that a motion to dismiss, like a demurrer, admits every well-pleaded allegation of fact, *Payne* v. *Central Pacific Ry. Co.*, 255 U. S. 228, 232. But a court may take judicial notice that a river within its jurisdiction is navigable. *United States* v. *Rio Grande Dam and Irrigation Co.*, 174 U. S. 690, 697; *Wear* v. *Kansas*, 245 U. S. 154, 158. We know judicially, from the evidence of history, that a large part of the Colorado River south of Black Canyon was formerly navigable,[3] and that the main obstacles to navigation have been the accumulations of silt coming from the upper reaches of the river system, and the irregularity in the flow due to periods of low water.[4] Commercial disuse resulting from changed geographical conditions and a congressional failure to deal with them, does not amount to an abandonment of a

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[2] Compare *The Daniel Ball*, 10 Wall. 557, 563; *The Montello*, 20 Wall. 430; *St. Anthony Falls Water Power Co.* v. *St. Paul Water Commissioners*, 168 U. S. 349; *Leovy* v. *United States*, 177 U. S. 621; *Economy Light & Power Co.* v. *United States*, 256 U. S. 113; *Oklahoma* v. *Texas*, 258 U. S. 574, 590, 591; *Brewer-Elliott Oil & Gas Co.* v. *United States*, 260 U. S. 77, 86; *United States* v. *Holt State Bank*, 270 U. S. 49, 56, 57.

[3] Navigability extended as far north as the mouth of the Virgin River at Black Canyon. See Report Upon the Colorado River of the West, H. R. Ex. Doc. No. 90, 36th Cong., 1st sess., June 5, 1860, pts. I–II, and maps; H. R. Mis. Doc. No. 37, 42d Cong., 1st sess., April 15, 1871; H. R. Ex. Doc. No. 18, 51st Cong., 2d sess., December 2, 1890; H. R. Doc. No. 101, 54th Cong., 1st sess., December 27, 1895; H. R. Doc. No. 67, 56th Cong., 2d sess., December 5, 1900; Ann. Rep., Chief of Engineers, War Department, 1879, pp. 1773–85; Hodge, Arizona As It Is (1877), pp 208–10; Hinton, Handbook to Arizona (1878), pp. 66–67, 371–72, and maps; Freeman, The Colorado River (1923), chs. I, V, VII, particularly pp. 146–67; Sloan, History of Arizona (1930), vol. i. pp. 216–36.

By the act of July 5, 1844, ch. 229, 23 Stat. 133, 144, Congress appropriated $25,000 for the improvement of navigation on the Colorado River between Fort Yuma and a point 30 miles above Rioville, which was located at the mouth of the Virgin River. An additional $10,000 for a levee at Yuma was appropriated by the act of July 22, 1892, ch. 158, 27 Stat. 88, 108–09. See H. R. Doc. Nos. 204 and 237, 58 Cong., 2d sess., December 18, 1903. As to navigability north and east of Boulder Canyon, see *United States* v. *Utah*, 283 U. S. 64.

[4] See Report by Director of Reclamation Service on Problems of Imperial Valley and Vicinity, Sen. Doc. No. 142, 67th Cong., 2d sess., February 23, 1922, pp. 3–10, 240; Report of the Colorado River Board on the Boulder Dam project, H. R. Doc. No. 446. 70th Cong., 2d sess., December 3, 1928, pp. 12–14; Report of the All-American Canal Board, July 22, 1919, pp. 24–33. For the geological history of the lower Colorado area, see Information Presented to the House Committee on Irrigation and Reclamation in connection with H. R. 2903, 68th Cong., 1st sess., 1924, pp. 135–43. All the former documents on the Colorado River Development were adopted as part of the hearings on Boulder Canyon project act. See Hearings Before the House Committee on Irrigation and Reclamation on H. R. 5773, 70th Cong., 1st sess., January 6, 1928, pp. 8–10.

navigable river or prohibit future exertion of Federal control. *Economy Light & Power Co.* v. *United States,* 256 U. S. 113, 118, 124. We know from the reports of the committees of the Congress which recommended the Boulder Canyon project that, in the opinion of the government engineers, the silt will be arrested by the dam; that, through use of the stored water, irregularity in its flow below Black Canyon can be largely overcome; and that navigation for considerable distances both above and below the dam will become feasible. [5] Compare *St. Anthony Falls Water Power Co.* v. *St. Paul Water Commissioners,* 168 U. S. 349, 359; *United States* v. *Cress,* 243 U. S. 316, 326.

The bill further alleges that the "recital in said act that the purpose thereof is the improvement of navigation" "is a mere subterfuge and false pretense." It quotes a passage in Article IV of the compact, to which the act is subject, which declares that "inasmuch as the Colorado River has ceased to be navigable for commerce and the reservation of its waters for navigation would seriously limit the development of its basin, the use of its waters for purposes of navigation shall be subservient to the uses of such waters for domestic, agricultural, and power purposes;" and alleges that "even if said river were navigable, the diversion, sale and delivery of water therefrom, as authorized in said act, would not improve, but would destroy, its navigable capacity." [6]

Into the motives which induced members of Congress to enact the Boulder Canyon project act, this court may not enquire. *McCray* v. *United States,* 195 U. S. 27, 53-59; *Weber* v. *Freed,* 239 U. S. 325, 329-30; *Wilson* v. *New,* 243 U. S. 332, 358-59; *United States* v. *Doremus,* 249 U. S. 86, 93-94; *Dakota Central Telephone* v. *South Dakota,* 250 U. S. 163, 187; *Hamilton* v. *Kentucky Distilleries Co.,* 251 U. S. 146, 161; *Smith* v. *Kansas City Title &*

[5] The House Committee on Irrigation and Reclamation stated that one of the purposes of the act was to have the flow of the river below the dam "regulated and even" and thus "susceptible to use by power boats and other small craft. The great reservoir will, of course, be susceptible of navigation." See Boulder Canyon project, H. R. Rep. 918, 70th Cong., 1st sess., March 15, 1928, p. 6. As to control of silt deposits, see id., pp. 16–17. A similar report was made to the Senate. See Boulder Canyon Project, Sen. Rep. 592, 70th Cong, 1st sess., March 20, 1928, pp. 5–7, 16–20. The House Committee said in summary: "The proposed dam would improve navigation probably more than any other works which could be constructed. The dam will so regulate the flow as to make the river very practicable of navigation for 200 miles below and impound water above which could easily be navigated for more than 75 miles." H. R. Rep. 918, supra, p. 22. Compare Hearings before the House Committee on Irrigation and Reclamation on H. R. 5773, 70th Cong., 1st sess., pt. 3, January 13–14, 1928, pp. 340–41; Hearings Before the Senate Committee on Irrigation and Reclamation on S. 728 and S. 1274, id., January 17–21, 1928, pp. 368–77, 384, 420–21. Since below Black Canyon the Colorado River is a boundary stream, such navigation will be at least partially interstate.

[6] Reliance is also had upon the fact that the bill as originally introduced contained no reference to navigation, but that the statements of this purpose, found in the act, were inserted during the course of the hearings. See Minority Views, H. R. Rep. No. 918, 70th Cong., 1st sess., pt. 3, pp. 14–18.

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Trust Co., 255 U. S. 180, 210.[7] The act declares that the authority to construct the dam and reservoir is conferred, among other things, for the purpose of "improving navigation and regulating the flow of the river." As the river is navigable and the means which the act provides are not unrelated to the control of navigation, *United States* v. *River Rouge Improvement Co.*, 269 U. S. 411, 419, the erection and maintenance of such dam and reservoir are clearly within the powers conferred upon Congress. Whether the particular structures proposed are reasonably necessary, is not for this court to determine. Compare *Fong Yue Ting.* v. *United States*, 149 U. S. 698, 712-14; *Oceanic Steam Navigation Co.* v. *Stranahan*, 214 U. S. 320, 340; *United States* v. *Chandler-Dunbar Water Power Co.*, 229 U. S. 53, 65, 72-73; *Everard's Breweries* v. *Day*, 265 U. S. 545, 559. And the fact that purposes other than navigation will also be served could not invalidate the exercise of the authority conferred, even if those other purposes would not alone have justified an exercise of Congressional power. Compare *Veazie Bank* v. *Fenno*, 8 Wall. 533, 548; *Kaukauna Water Power Co.* v. *Green Bay & Mississippi Canal Co.*, 142 U. S. 254, 275; *In re Kollock*, 165 U. S. 526, 536; *Weber* v. *Freed, supra; United States* v. *Doremus, supra.*

It is urged that the court is not bound by the recital of purposes in the act; that we should determine the purpose from its probable effect; and that the effect of the project will be to take out of the river, now nonnavigable through lack of water, the last half of its remaining average flow. But the act specifies that the dam shall be used: "First, for river regulation, improvement of navigation and flood control; second, for irrigation and domestic uses and satisfaction of present perfected rights * * * ; and third, for power." It is true that the authority conferred is stated to be "subject to the Colorado River compact," and that instrument makes the improvement of navigation subservient to all other purposes. But the specific statement of primary purpose in the act governs the general references to the compact. This court may not assume that Congress had no purpose to aid navigation, and that its real intention was that the stored water shall be so used as to defeat the declared primary purpose. Moreover, unless and until the stored water, which will consist largely of flood waters now wasted, is consumed in new irrigation projects or in domestic use, substantially all of it will be available for the improvement of navigation. The possible abuse of the power to regulate navigation is not an argument against its existence. Lottery Case, 188 U. S. 321, 363; *Flint* v. *Stone Tracy Co.*, 220 U. S. 107, 168-69; *Wilson* v. *New*, 243 U. S. 332, 354;

[7] Similarly, no inquiry may be made concerning the motives or wisdom of a State legislature acting within its proper powers. *United States* v. *Des Moines Navigation & Railway Co.*, 142 U. S. 510, 544; *Atchison, Topeka & Santa Fe R. R. Co.* v. *Matthews*, 174 U. S. 96, 102; *Calder* v. *Michigan*, 218 U. S. 591, 598; *Rast* v. *Van Deman & Lewis*, 240 U. S. 342, 357, 366. Compare *O'Gorman & Young, Inc.* v. *Hartford Fire Insurance Co.*, 282 U. S. 251, 258.

Hamilton v. *Kentucky Distilleries, supra; Alaska Fish Salting & By-Products Co.* v. *Smith,* 255 U. S. 44, 48.

Since the grant of authority to build the dam and reservoir is valid as an exercise of the Constitutional power to improve navigation, we have no occasion to decide whether the authority to construct the dam and reservoir might not also have been constitutionally conferred for the specified purpose of irrigating public lands of the United States. [8] Compare *United States* v. *Rio Grande Dam and Navigation Co.,* 174 U. S. 690, 703; *United States* v. *Alford,* 274 U. S. 264. Or for the specified purpose of regulating the flow and preventing floods in this interstate river.[9] Or as a means of conserving and apportioning its waters among the States equitably entitled thereto. Or for purpose of performing international obligations. [10] Compare *Missouri* v. *Holland,* 252 U. S. 416.

Second. The further claim is that the mere existence of the act will invade quasi-sovereign rights of Arizona by preventing the State from exercising its right to prohibit or permit under its own laws the appropriation of unappropriated waters flowing within or on its borders. The opportunity and need for further appropriations are fully set forth in the bill. Arizona is arid and

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[8] "A large part of the land through which the Colorado River flows, or which is adjacent or tributary to it, is public domain of which the United States is the proprietor." Colorado River compact, H. R. Doc. No. 605, 67th Cong., 4th sess., March 2, 1923, p. 6. As to extent of this land and irrigation projects on it in connection with the Boulder Canyon Dam, see Report of the Director of the Reclamation Service on Problems of Imperial Valley and Vicinity, Sen. Doc. No. 142, 67th Cong., 2d sess., February 23, 1922, appendices C–D. See also Department of Interior, Twenty-fifth Ann. Rep. Bureau of Reclamation 1926, pp. 2–29; Vacant Public Lands on July 1, 1929, Department of Interior, General Land Office, Circular No. 1197, pp. 3–10; Report of the International Water Commission, H. R. Doc. No. 359, 71st Cong., 2d sess., April 21, 1930, pp. 98–177, and Bibliography, p. 97.

[9] Compare the legislation for Mississippi River flood control, independent of navigation improvements. Joint Resolution of May 2, 1922, ch. 175, 42 Stat. 504; act of September 22, 1922, ch. 427, § 13, 42 Stat., 1038, 1047; act of December 22, 1927, ch. 5, 45 Stat. 2, 38; and particularly act of May 15, 1928, ch. 569, 45 Stat. 534.

[10] The Colorado River and its tributaries have frequently been the subject of treaties between the United States and Mexico. See Treaty of Guadalupe Hidalgo, February 2, 1848, Art VII, in Malloy, United States Treaties, vol. i, pp. 1107, 1111; Gadsden Treaty, December 30, 1853, Art. IV, id. pp. 1121, 1123; Boundary Convention of March 1, 1889, Arts. I, V, id., pp. 1167–92. Compare the 1912 proposals reported in Hearings Before House Committee on the Irrigation of Arid Lands, 66th Cong., 1st sess., July 9–14, 1919, Append., pp. 323–26. As to Rio Grande River, see Convention of May 21, 1906, Treaty Series No. 455; 21 Opp. Atty. Gen. 274, 282, 518; Sen. Doc. No. 154, 57th Cong., 2d sess., February 14, 1903. For the international aspects of the proposed Colorado River development, see Hearings Before the House Committee on Irrigation of Arid Lands, 66th Cong., 1st sess., July 9–14, 1919, Append., pp. 323–48; Colorado River Compact, H. R. Doc. No. 605, 67th Cong., 4th sess., March 2, 1923, pp. 5–6. Report of the All-American Canal Board, July 22, 1919, pp. 14–15; Report of International Water Commission, *supra,* note 8, pp. 17–23, 85–238.

irrigation is necessary for cultivation of additional land. The future growth and welfare of the State are largely dependent upon such reclamation. It is alleged that there are within Arizona 2,000,000 acres not now irrigated which are susceptible of irrigation by further appropriations from the Colorado River. [11] To appropriate water means to take and divert a specified quantity thereof and put it to beneficial use in accordance with the laws of the State where such water is found, and, by so doing, to acquire under such laws, a vested right to take and divert from the same source, and to use and consume the same quantity of water annually forever, subject only to the right of prior appropriations. Under the law of Arizona, the perfected vested right to appropriate water flowing within the State can not be acquired without the performance of physical acts through which the water is and will in fact be diverted to beneficial use. Topographical conditions make it necessary that land in the State be irrigated in large projects. The Colorado River flows, both on the boundary between Arizona and Nevada, and in Arizona alone, through an almost continuous series of deep canyons, the walls of which rise in Arizona to a height varying from a few hundred to more than 5,000 feet. The cost of installing the dams, reservoirs, canals, and distribution works required to effect any diversion, will be very heavy; and financing on a large scale is indispensable. Such financing will be impossible unless it clearly appears that, at or prior to the time of constructing such works, vested rights to the permanent use of the water will be acquired.

The alleged interference with the right of the State to control additional appropriations is based upon the following facts. The average annual flow of the Colorado River system, including the tributaries, is 18,000,000 acre-feet. [12] Only 9,000,000 acre-feet have been appropriated by Arizona and the defendant States. Of this 3,500,000 acre-feet have been appropriated in Arizona under its laws, and the remaining 5,500,000 acre-feet by the other States. The 9,000,000 acre-feet unappropriated are now subject to appropriation in Arizona under its laws. It is alleged that there are numerous sites suitable for the construction, maintenance, and operation of dams and reservoirs required for the irrigation of land in Arizona; and that actual projects have been planned for the irrigation of 1,000,000 acres, including 100,000 acres owned by the State. For this purpose 4,500,000 acre-feet annually will be additionally required. Permits to appropriate this water have been granted

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[11] Of the total length of 1,293 miles of the Colorado River, 688 miles are within or on the boundaries of Arizona, after leaving Utah, the main river flows for 292 miles wholly in Arizona. Then, the middle of the channel forms the boundary between Arizona and Nevada for 145 miles; and for 235 miles the boundary between Arizona and California. Tributaries of the river flow within Arizona for a combined length of 836 miles, and most of these enter the main stream below Black Canyon.

[12] An acre-foot is the quantity of water required to cover an acre to a depth of 1 foot—43,560 cubic feet. See *Wyoming* v. *Colorado,* 259 U. S. 419, 458.

by the State; and definite plans to carry out projects for the building of dams on that part of the river flowing in or on the borders of Arizona have been approved by the State engineer. It is stated that but for the passage of the Boulder Canyon project act, construction work would long since have commenced.

It is conceded that the continued use of the 3,500,000 acre-feet of water already appropriated in Arizona is not now threatened. And there is no allegation that at the present time the enjoyment of these rights is being interfered with in any way. The claim strenuously urged is that the existence of the Act, and the threatened exercise of the authority to use the stored water pursuant to its terms, will prevent Arizona from exercising its right to control the making of further appropriations. It is argued that such needed additional appropriations will be prevented because Wilbur proposes to store the entire unappropriated flow of the main stream of the Colorado River at the dam; that Arizona, and those claiming under it, will not be permitted to take any water from the reservoir except upon agreeing that the use shall be subject to the compact; that under the terms of the compact they will not be entitled to appropriate any water in excess of that to which there are now perfected rights in Arizona; [13] and that in order to irrigate land in Arizona it is frequently necessary to utilize rights of way over lands of the United States, and since the act provides that all such rights of way or other privileges to be granted by the United States shall be upon the express condition and with the express covenant that they shall be subject to the compact, the act in effect prevents Arizona and those claiming under it from acquiring such rights.

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[13] The allegation is in substance this: Of the average annual flow of 18,000,000 acre-feet, the act and compact permit the present final appropriation of only 15,000,000. This quantity must satisfy all existing appropriations as well as all future appropriations. Of these 15,000,000, one-half is apportioned to the so-called Upper Basin, which includes Utah, Colorado, Wyoming, and New Mexico. The remaining 7,500,000 acre-feet have been allotted to the so-called Lower Basin, which includes Arizona and parts of Nevada and California. Of the water thus allotted to the lower basin, 6,500,000 acre-feet have already been appropriated; and, under a contract made by Wilbur with the Metropolitan Water District of Southern California, the remaining 1,000,000 are to be diverted to it. Thus it is argued that consistently with the act and compact it will be impossible for Arizona to make any further appropriation unless it be under the following provision: The compact provides that no part of the 3,000,000 acre-feet of the estimated annual flow, not now apportioned, shall be appropriated until after October 1, 1963, as such water may be required to satisfy rights of Mexico, through which country the river flows after leaving the United States. If the satisfaction of recognized Mexican rights reduces the unappropriated water below 1,000,000 acre-feet annually, the Lower Basin States may require the Upper Basin States to deliver from their apportionment one-half of the amount required to meet the deficit. It is claimed that Arizona thus may use, but not legally appropriate, any unappropriated water which is available for use by it; and that this restricted right does not justify the expenditures necessary for putting the water to beneficial use in Arizona.

This contention can not prevail because it is based not on any actual or threatened impairment of Arizona's rights but upon assumed potential invasions. The act does not purport to affect any legal right of the State, or to limit in any way the exercise of its legal right to appropriate any of the unappropriated 9,000,000 acre-feet which may flow within or on its borders. On the contrary, section 18 specifically declares that nothing therein "shall be construed as interfering with such rights as the States now have either to the waters within their borders or to adopt such policies and enact such laws as they may deem necessary with respect to the appropriation, control, and use of water within their borders, except as modified" by interstate agreement. As Arizona has made no such agreement, the act leaves its legal rights unimpaired. There is no allegation of definite physical acts by which Wilbur is interfering, or will interfere, with the exercise by Arizona of its right to make further appropriations by means of diversions above the dam or with the enjoyment of water so appropriated. [14] Nor any specific allegation of physical acts impeding the exercise of its right to make future appropriations by means of diversions below the dam, or limiting the enjoyment of rights so acquired, unless it be by preventing an adequate quantity of water from flowing in the river at any necessary point of diversion.

When the bill was filed, the construction of the dam and reservoir had not been commenced. Years must elapse before the project is completed. If by operations at the dam any then perfected right of Arizona, or of those claiming under it, should hereafter be interfered with, appropriate remedies will be available. Compare *Kansas* v. *Colorado,* 206 U. S. 46, 117. The bill alleges, that plans have been drawn and permits granted for the taking of additional water in Arizona pursuant to its laws. But Wilbur threatens no physical interference with these projects; and the act interposes no legal inhibitions on their

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[14] There is in the bill a further allegation that, under color of the act, Wilbur has seized and taken possession of all that part of the Colorado River which flows in Arizona and on the boundary thereof, and of the water now flowing therein, and of all the dam sites and reservoir sites suitable for irrigation of the Arizona land and for the generation of electric power "and now has said river, said water and said sites in his possession; and has excluded and is now excluding the State of Arizona, its citizens, inhabitants, and property owners from said river, said water and said sites, and from all access thereto; has prevented and is now preventing said State, its citizens, inhabitants and property owners from appropriating any of said 8,000,000 acre-feet of unappropriated water * * *." But from other parts of the bill and from the argument, it is clear that there has been no physical taking of possession of anything, and that Wilbur has not trespassed on lands belonging either to Arizona or any of its citizens. This allegation is thus merely a conclusion of law from the fact that Wilbur, in conformity with the provisions of the act, has made plans for the construction of the dam and reservoir, promulgated regulations concerning the use of the water to be stored, and executed contracts for the use of some of it.

execution.[15] There is no occasion for determining now Arizona's rights to interstate or local waters which have not yet been, or which may never be, appropriated. *New Jersey* v. *Sargent,* 269 U. S. 328, 338. This court can not issue declaratory decrees. Compare *Texas* v. *Interstate Commerce Commission,* 258 U. S. 158, 162; *Liberty Warehouse* v. *Grannis,* 273 U. S. 70, 74; *Willing* v. *Chicago Auditorium Association,* 277 U. S. 274, 289-90. Arizona has, of course, no legal right to use, in aid of appropriation, any land of the United States, and it can not complain of the provision conditioning the use of such public land. Compare *Utah Power & Light Co.* v. *United States,* 243 U. S. 389, 403-05.

As we hold that the grant of authority to construct the dam and reservoir is a valid exercise of Congressional power, that the Boulder Canyon project act does not purport to abridge the right of Arizona to make, or permit, additional appropriations of water flowing within the State or on its boundaries, and that there is now no threat by Wilbur, or any of the defendant States, to do any act which will interfere with the enjoyment of any present or future appropriation, we have no occasion to consider other questions which have been argued. The bill is dimissed without prejudice to an application for relief in case the stored water is used in such a way as to interfere with the enjoyment by Arizona, or those claiming under it, of any rights already perfected or with the right of Arizona to make additional legal appropriations and to enjoy the same.

Bill dismissed.

MR. JUSTICE MCREYNOLDS is of the opinion that the motions to dismiss should be overruled and the defendants required to answer.

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[15] It is also argued that of the 7,500,000 acre-feet allotted by the compact to the upper basin States, only 2,500,000 have already been appropriated, and that thus the presently unused surplus of 5,000,000 acre-feet can not be appropriated in Arizona. But Arizona is not bound by the compact as it has withheld ratification. If and when withdrawals pursuant to the compact by the Upper Basin States diminish the amount of water actually available for use in Arizona, appropriate action may then be brought.

The allegation that the inclusion in the compact of the waters of the Gila River (all of which are said to have been appropriated in Arizona) operates to reduce the amount of water which may be taken by that State, can likewise be disregarded. Not being bound by the compact, Arizona has not assented to this inclusion of the Gila appropriations in the allotment to the lower basin; and there is no allegation that Wilbur or any of the defendant States are interfering with perfected rights to the waters of that river, which enters the Colorado 286 miles below Black Canyon.

SUBDIVISION VII

WATER TREATY

[ITEM 117]

BOULDER CANYON PROJECT

TREATY

BETWEEN THE UNITED STATES AND MEXICO

RELATING TO THE UTILIZATION OF THE WATERS OF THE COLORADO AND TIJUANA RIVERS AND OF THE RIO GRANDE

FEBRUARY 3, 1944

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS a treaty between the United States of America and the United Mexican States relating to the utilization of the waters of the Colorado and Tijuana Rivers, and of the Rio Grande (Rio Bravo) from Fort Quitman, Texas, to the Gulf of Mexico, was signed by their respective Plenipotentiaries in Washington on February 3, 1944, and a protocol supplementary to the said treaty was signed by their respective Plenipotentiaries in Washington on November 14, 1944, the originals of which treaty and protocol, in the English and Spanish languages,[1] are word for word as follows:

The Government of the United States of America and the Government of the United Mexican States: animated by the sincere spirit of cordiality and friendly cooperation which happily governs the relations between them; taking into account the fact that Articles VI and VII of the Treaty of Peace, Friendship and Limits between the United States of America and the United Mexican States signed at Guadalupe Hidalgo on February 2, 1848, and Article IV of the boundary treaty between the two countries signed at the City of Mexico December 30, 1853 regulate the use of the waters of the Rio Grande (Rio Bravo) and the Colorado River for purposes of navigation only; considering that the utilization of these waters for other purposes is desirable in the interest of both

[1] To save space the Spanish version of the treaty is omitted.

countries, and desiring, moreover, to fix and delimit the rights of the two countries with respect to the waters of the Colorado and Tijuana Rivers, and of the Rio Grande (Rio Bravo) from Fort Quitman, Texas, United States of America, to the Gulf of Mexico, in order to obtain the most complete and satisfactory utilization thereof, have resolved to conclude a treaty and for this purpose have named as their plenipotentiaries:

The President of the United States of America:

Cordell Hull, Secretary of State of the United States of America, George S. Messersmith, Ambassador Extraordinary and Plenipotentiary of the United States of America in Mexico, and Lawrence M. Lawson, United States Commissioner, International Boundary Commission, United States and Mexico; and

The President of the United Mexican States:

Francisco Castillo Nájera, Ambassador Extraordinary and Plenipotentiary of the United Mexican States in Washington, and Rafael Fernández MacGregor, Mexican Commissioner, International Boundary Commission, United States and Mexico; who, having communicated to each other their respective Full Powers and having found them in good and due form, have agreed upon the following:

I—Preliminary Provisions

ARTICLE 1

For the purposes of this Treaty it shall be understood that:

(a) "The United States" means the United States of America.

(b) "Mexico" means the United Mexican States.

(c) "The Commission" means the International Boundary and Water Commission, United States and Mexico, as described in Article 2 of this Treaty.

(d) "To divert" means the deliberate act of taking water from any channel in order to convey it elsewhere for storage, or to utilize it for domestic, agricultural, stock-raising or industrial purposes whether this be done by means of dams across the channel, partition weirs, lateral intakes, pumps or any other methods.

(e) "Point of diversion" means the place where the act of diverting the water is effected.

(f) "Conservation capacity of storage reservoirs" means that part of their total capacity devoted to holding and conserving the water for disposal thereof as and when required, that is, capacity additional to that provided for silt retention and flood control.

(g) "Flood discharge and spills" means the voluntary or involuntary discharge of water for flood control as distinguished from releases for other purposes.

(h) "Return flow" means that portion of diverted water that eventually finds its way back to the source from which it was diverted.

(i) "Release" means the deliberate discharge of stored water for conveyance elsewhere or for direct utilization.

(j) "Consumptive use" means the use of water by evaporation, plant transpiration or other manner whereby the water is consumed and does not return to its source of supply. In general it is measured by the amount of water diverted less the part thereof which returns to the stream.

(k) "Lowest major international dam or reservoir" means the major international dam or reservoir situated farthest downstream.

(l) "Highest major international dam or reservoir" means the major international dam or reservoir situated farthest upstream.

ARTICLE 2

The International Boundary Commission established pursuant to the provisions of the Convention between the United States and Mexico signed in Washington March 1, 1889 to facilitate the carrying out of the principles contained in the Treaty of November 12, 1884 and to avoid difficulties occasioned by reason of the changes which take place in the beds of the Rio Grande (Rio Bravo) and the Colorado River shall hereafter be known as the International Boundary and Water Commission, United States and Mexico, which shall continue to function for the entire period during which the present Treaty shall continue in force. Accordingly, the term of the Convention of March 1, 1889 shall be considered to be indefinitely extended, and the Convention of November 21, 1900 between the United States and Mexico regarding that Convention shall be considered completely terminated.

The application of the present Treaty, the regulation and exercise of the rights and obligations which the two Governments assume thereunder, and the settlement of all disputes to which its observance and execution may give rise are hereby entrusted to the International Boundary and Water Commission, which shall function in conformity with the powers and limitations set forth in this Treaty.

The Commission shall in all respects have the status of an international body, and shall consist of a United States Section and a Mexican Section. The head of each Section shall be an Engineer Commissioner. Wherever there are provisions in this Treaty for joint action or joint agreement by the two Governments, or for the furnishing of reports, studies or plans to the two Governments, or similar provisions, it shall be understood that the particular matter in question shall be handled by or through the Department of State of the United States and the Ministry of Foreign Relations of Mexico.

The Commission or either of its two Sections may employ such assistants and engineering and legal advisers as it may deem necessary. Each Government shall accord diplomatic status to the Commissioner, designated by the other Government. The Commissioner, two principal engineers, a legal adviser, and a secretary, designated by each Government as members of its Section of the Commission, shall be entitled in the territory of the other country to the privileges and immunities appertaining to diplomatic officers. The Commission and

its personnel may freely carry out their observations, studies and field work in the territory of either country.

The jurisdiction of the Commission shall extend to the limitrophe parts of the Rio Grande (Rio Bravo) and the Colorado River, to the land boundary between the two countries, and to works located upon their common boundary, each Section of the Commission retaining jurisdiction over that part of the works located within the limits of its own country. Neither Section shall assume jurisdiction or control over works located within the limits of the country of the other without the express consent of the Government of the latter. The works constructed, acquired or used in fulfillment of the provisions of this Treaty and located wholly within the territorial limits of either country, although these works may be international in character, shall remain, except as herein otherwise specifically provided, under the exclusive jurisdiction and control of the Section of the Commission in whose country the works may be situated.

The duties and powers vested in the Commission by this Treaty shall be in addition to those vested in the International Boundary Commission by the Convention of March 1, 1889 and other pertinent treaties and agreements in force between the two countries except as the provisions of any of them may be modified by the present Treaty.

Each Government shall bear the expenses incurred in the maintenance of its Section of the Commission. The joint expenses, which may be incurred as agreed upon by the Commission, shall be borne equally by the two Governments.

ARTICLE 3

In matters in which the Commission may be called upon to make provision for the joint use of international waters, the following order of preferences shall serve as a guide:

1. Domestic and municipal uses.
2. Agriculture and stock-raising.
3. Electrical power.
4. Other industrial uses.
5. Navigation.
6. Fishing and hunting.
7. Any other beneficial uses which may be determined by the Commission.

All of the foregoing uses shall be subject to any sanitary measures or works which may be mutually agreed upon by the two Governments, which hereby agree to give preferential attention to the solution of all border sanitation problems.

II—Rio Grande (Rio Bravo)

ARTICLE 4

The waters of the Rio Grande (Rio Bravo) between Fort Quitman, Texas, and the Gulf of Mexico are hereby allotted to the two countries in the following manner:

A. To Mexico:

(a) All of the waters reaching the main channel of the Rio Grande (Rio Bravo) from the San Juan and Alamo Rivers, including the return flow from the lands irrigated from the latter two rivers.

(b) One-half of the flow in the main channel of the Rio Grande (Rio Bravo) below the lowest major international storage dam, so far as said flow is not specifically allotted under this Treaty to either of the two countries.

(c) Two-thirds of the flow reaching the main channel of the Rio Grande (Rio Bravo) from the Conchos, San Diego, San Rodrigo, Escondido and Salado Rivers and the Las Vacas Arroyo, subject to the provisions of subparagraph (c) of paragraph B of this Article.

(d) One-half of all other flows not otherwise allotted by this Article occurring in the main channel of the Rio Grande (Rio Bravo), including the contributions from all the unmeasured tributaries, which are those not named in this Article, between Fort Quitman and the lowest major international storage dam.

B. To the United States:

(a) All of the waters reaching the main channel of the Rio Grande (Rio Bravo) from the Pecos and Devils Rivers, Goodenough Spring, and Alamito, Terlingua, San Felipe and Pinto Creeks.

(b) One-half of the flow in the main channel of the Rio Grande (Rio Bravo) below the lowest major international storage dam, so far as said flow is not specifically allotted under this Treaty to either of the two countries.

(c) One-third of the flow reaching the main channel of the Rio Grande (Rio Bravo) from the Conchos, San Diego, San Rodrigo, Escondido and Salado Rivers and the Las Vacas Arroyo, provided that this third shall not be less, as an average amount in cycles of five consecutive years, than 350,000 acre-feet (431,721,000 cubic meters) annually. The United States shall not acquire any right by the use of the waters of the tributaries named in this subparagraph, in excess of the said 350,000 acre-feet (431,721,000 cubic meters) annually, except the right to use one-third of the flow reaching the Rio Grande (Rio Bravo) from said tributaries, although such one-third may be in excess of that amount.

(d) One-half of all other flows not otherwise allotted by this Article occurring in the main channel of the Rio Grande (Rio Bravo), including the contributions from all the unmeasured tributaries, which are those not named in this Article, between Fort Quitman and the lowest major international storage dam.

In the event of extraordinary drought or serious accident to the hydraulic systems on the measured Mexican tributaries, making it difficult for Mexico to

make available the run-off of 350,000 acre-feet (431,721,000 cubic meters) annually, allotted in subparagraph (c) of paragarph B of this Article to the United States as the minimum contribution from the aforesaid Mexican tributaries, any deficiencies existing at the end of the aforesaid five-year cycle shall be made up in the following five-year cycle with water from the said measured tributaries.

Whenever the conservation capacities assigned to the United States in at least two of the major international reservoirs, including the highest major reservoir, are filled with waters belonging to the United States, a cycle of five years shall be considered as terminated and all debits fully paid, whereupon a new five-year cycle shall commence.

ARTICLE 5

The two Governments agree to construct jointly, through their respective Sections of the Commission, the following works in the main channel of the Rio Grande (Rio Bravo):

1. The dams required for the conservation, storage and regulation of the greatest quantity of the annual flow of the river in a way to ensure the continuance of existing uses and the development of the greatest number of feasible projects, within the limits imposed by the water allotments specified.

II. The dams and other joint works required for the diversion of the flow of the Rio Grande (Rio Bravo).

One of the storage dams shall be constructed in the section between Santa Helena Canyon and the mouth of the Pecos River; on in the section between Eagle Pass and Laredo, Texas (Piedras Negras and Nuevo Laredo in Mexico); and a third in the section between Laredo and Roma, Texas (Nuevo Laredo and San Pedro de Roma in Mexico). One or more of the stipulated dams may be omitted, and others than those enumerated may be built, in either case as may be determined by the Commission, subject to the approval of the two Governments.

In planning the construction of such dams the Commission shall determine:

(a) The most feasible sites;

(b) The maximum feasible reservoir capacity at each site;

(c) The conservation capacity required by each country at each site, taking into consideration the amount and regimen of its allotment of water and its contemplated uses;

(d) The capacity required for retention of silt;

(e) The capacity required for flood control.

The conservation and silt capacities of each reservoir shall be assigned to each country in the same proportion as the capacities required by each country in such reservoir for conservation purposes. Each country shall have an undivided interest in the flood control capacity of each reservoir.

The construction of the international storage dams shall start within two

years following the approval of the respective plans by the two Governments. The works shall begin with the construction of the lowest major international storage dam, but works in the upper reaches of the river may be constructed simultaneously. The lowest major international storage dam shall be completed within a period of eight years from the date of the entry into force of this Treaty.

The construction of the dams and other joint works required for the diversion of the flows of the river shall be initiated on the dates recommended by the Commission and approved by the two Governments.

The cost of construction, operation and maintenance of each of the international storage dams shall be prorated between the two Governments in proportion to the capacity allotted to each country for conservation purposes in the reservoir at such dam.

The cost of construction, operation and maintenance of each of the dams and other joint works required for the diversion of the flows of the river shall be prorated between the two Governments in proportion to the benefits which the respective countries receive therefrom, as determined by the Commission and approved by the two Governments.

ARTICLE 6

The Commission shall study, investigate, and prepare plans for flood control works, where and when necessary, other than those referred to in Article 5 of this Treaty, on the Rio Grande (Rio Bravo) from Fort Quitman, Texas, to the Gulf of Mexico. These works may include levees along the river, floodways and grade-control structures, and works for the canalization, rectification and artificial channeling of reaches of the river. The Commission shall report to the two Governments the works which should be built, the estimated cost thereof, the part of the works to be constructed by each Government, and the part of the works to be operated and maintained by each Section of the Commission. Each Government agrees to construct, through its Section of the Commission, such works as may be recommended by the Commission and approved by the two Governments. Each Government shall pay the costs of the works constructed by it and the costs of operation and maintenance of the part of the works assigned to it for such purpose.

ARTICLE 7

The Commission shall study, investigate and prepare plans for plants for generating hydro-electric energy which it may be feasible to construct at the international storage dams on the Rio Grande (Rio Bravo). The Commission shall report to the two Governments in a Minute the works which should be built, the estimated cost thereof, and the part of the works to be constructed by each Government. Each Government agrees to construct, through its Section of the Commission, such works as may be recommended by the Com-

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mission and approved by the two Governments. Both Governments, through their respective Sections of the Commission, shall operate and maintain jointly such hydro-electric plants. Each Government shall pay half the cost of the construction, operation and maintenance of such plants, and the energy generated shall be assigned to each country in like proportion.

ARTICLE 8

The two Governments recognize that both countries have a common interest in the conservation and storage of waters in the international reservoirs and in the maximum use of these structures for the purpose of obtaining the most beneficial, regular and constant use of the waters belonging to them. Accordingly, within the year following the placing in operation of the first of the major international storage dams which is constructed, the Commission shall submit to each Government for its approval, regulations for the storage, conveyance and delivery of the waters of the Rio Grande (Rio Bravo) from Fort Quitman, Texàs, to the Gulf of Mexico. Such regulations may be modified, amended or supplemented when necessary by the Commission, subject to the approval of the two Governments. The following general rules shall severally govern until modified or amended by agreement of the Commission, with the approval of the two Governments:

(a) Storage in all major international reservoirs above the lowest shall be maintained at the maximum possible water level, consistent with flood control, irrigation use and power requirements.

(b) Inflows to each reservoir shall be credited to each country in accordance with the ownership of such inflows.

(c) In any reservoir the ownership of water belonging to the country whose conservation capacity therein is filled, and in excess of that needed to keep it filled, shall pass to the other country to the extent that such country may have unfilled conservation capacity, except that one country may at its option temporarily use the conservation capacity of the other country not currently being used in any of the upper reservoirs; provided that in the event of flood discharge or spill occurring while one country is using the conservation capacity of the other, all of such flood discharge or spill shall be charged to the country using the other's capacity, and all inflow shall be credited to the other country until the flood discharge or spill ceases or until the capacity of the other country becomes filled with its own water.

(d) Reservoir losses shall be charged in proportion to the ownership of water in storage. Releases from any reservoir shall be charged to the country requesting them, except that releases for the generation of electrical energy, or other common purpose, shall be charged in proportion to the ownership of water in storage.

(e) Flood discharges and spills from the upper reservoirs shall be divided in the same proportion as the ownership of the inflows occurring at the time

of such flood discharges and spills, except as provided in subparagraph (c) of this Article. Flood discharges and spills from the lowest reservoir shall be divided equally, except that one country, with the consent of the Commission, may use such part of the share of the other country as is not used by the latter country.

(f) Either of the two countries may avail itself, whenever it so desires, of any water belonging to it and stored in the international reservoirs, provided, that the water so taken is for direct beneficial use or for storage in other reservoirs. For this purpose the Commissioner of the respective country shall give appropriate notice to the Commission, which shall prescribe the proper measures for the opportune furnishing of the water.

ARTICLE 9

(a) The channel of the Rio Grande (Rio Bravo) may be used by either of the two countries to convey water belonging to it.

(b) Either of the two countries may, at any point on the main channel of the river from Fort Quitman, Texas, to the Gulf of Mexico, divert and use the water belonging to it and may for this purpose construct any necessary works. However, no such diversion or use, not existing on the date this Treaty enters into force, shall be permitted in either country, nor shall works be constructed for such purpose, until the Section of the Commission in whose country the diversion or use is proposed has made a finding that the water necessary for such diversion or use is available from the share of that country, unless the Commission has agreed to a greater diversion or use as provided by paragraph (d) of this Article. The proposed use and the plans for the diversion works to be constructed in connection therewith shall be previously made known to the Commission for its information.

(c) Consumptive uses from the main stream and from the unmeasured tributaries below Fort Quitman shall be charged against the share of the country making them.

(d) The Commission shall have the power to authorize either country to divert and use water not belonging entirely to such country, when the water belonging to the other country can be diverted and used without injury to the latter and can be replaced at some other point on the river.

(e) The Commission shall have the power to authorize temporary diversion and use by one country of water belonging to the other, when the latter does not need it or is unable to use it, provided that such authorization or the use of such water shall not establish any right to continue to divert it.

(f) In case of the occurrence of an extraordinary drought in one country with an abundant supply of water in the other country, water stored in the international storage reservoirs and belonging to the country enjoying such abundant water supply may be withdrawn, with the consent of the Commission, for the use of the country undergoing the drought.

(g) Each country shall have the right to divert from the main channel of the river any amount of water, including the water belonging to the other country, for the purpose of generating hydroelectric power, provided that such diversion causes no injury to the other country and does not interfere with the international generation of power and that the quantities not returning directly to the river are charged against the share of the country making the diversion. The feasibility of such diversions not existing on the date this Treaty enters into force shall be determined by the Commission, which shall also determine the amount of water consumed, such water to be charged against the country making the diversion.

(h) In case either of the two countries shall construct works for diverting into the main channel of the Rio Grande (Rio Bravo) or its tributaries waters that do not at the time this Treaty enters into force contribute to the flow of the Rio Grande (Rio Bravo) such water shall belong to the country making such diversion.

(i) Main stream channel losses shall be charged in proportion to the ownership of water being conveyed in the channel at the times and places of the losses.

(j) The Commision shall keep a record of the waters belonging to each country and of those that may be available at a given moment, taking into account the measurement of the allotments, the regulation of the waters in storage, the consumptive uses, the withdrawals, the diversions, and the losses. For this purpose the Commission shall construct, operate and maintain on the main channel of the Rio Grande (Rio Bravo), and each Section shall construct, operate and maintain on the measured tributaries in its own country, all the gaging stations and mechanical apparatus necessary for the purpose of making computations and of obtaining the necessary data for such record. The information with respect to the diversions and consumptive uses on the unmeasured tributaries shall be furnished to the Commission by the appropriate Section. The cost of construction of any new gaging stations located on the main channel of the Rio Grande (Rio Bravo) shall be borne equally by the two Governments. The operation and maintenance of all gaging stations or the cost of such operation and maintenance shall be apportioned between the two Sections in accordance with determinations to be made by the Commission.

III—Colorado River

ARTICLE 10

Of the waters of the Colorado River, from any and all sources, there are allotted to Mexico:

(a) A guaranteed annual quantity of 1,500,000 acre-feet (1,850,234,000 cubic meters) to be delivered in accordance with the provisions of Article 15 of this Treaty.

(b) Any other quantities arriving at the Mexican points of diversion, with the understanding that in any year in which, as determined by the United States Section, there exists a surplus of waters of the Colorado River in excess of the amount necessary to supply users in the United States and the guaranteed quantity of 1,500,000 acre-feet (1,850,234,000 cubic meters) annually to Mexico, the United States undertakes to deliver to Mexico, in the manner set out in Article 15 of this Treaty, additional waters of the Colorado River system to provide a total quantity not to exceed 1,700,000 acre-feet (2,096,931,000 cubic meters) a year. Mexico shall acquire no right beyond that provided by this subparagraph by the use of the waters of the Colorado River system, for any purpose whatsoever, in excess of 1,500,000 acre-feet (1,850,234,000 cubic meters) annually.

In the event of extraordinary drought or serious accident to the irrigation system in the United States, thereby making it difficult for the United States to deliver the guaranteed quantity of 1,500,000 acre-feet (1,850,234,000 cubic meters) a year, the water allotted to Mexico under subparagraph (a) of this Article will be reduced in the same proportion as consumptive uses in the United States are reduced.

ARTICLE 11

(a) The United States shall deliver all waters allotted to Mexico wherever these waters may arrive in the bed of the limitrophe section of the Colorado River, with the exceptions hereinafter provided. Such waters shall be made up of the waters of the said river, whatever their origin, subject to the provisions of the following paragraphs of this Article.

(b) Of the waters of the Colorado River allotted to Mexico by subparagraph (a) of Article 10 of this Treaty, the United States shall deliver, wherever such waters may arrive in the limitrophe section of the river, 1,000,000 acre-feet (1,233,489,000 cubic meters) annually from the time the Davis dam and reservoir are placed in operation until January 1, 1980 and thereafter 1,125,000 acre-feet (1,387,675,000 cubic meters) annually, except that, should the main diversion structure referred to in subparagraph (a) of Article 12 of this Treaty be located entirely in Mexico and should Mexico so request, the United States shall deliver a quantity of water not exceeding 25,000 acre-feet (30,837,000 cubic meters) annually, unless a larger quantity may be mutually agreed upon, at a point, to be likewise mutually agreed upon, on the international land boundary near San Luis, Sonora, in which event the quantities of 1,000,000 acre-feet (1,233,489,000 cubic meters) and 1,125,000 acre-feet (1,387,675,000 cubic meters) provided hereinabove as deliverable in the limitrophe section of the river shall be reduced by the quantities to be delivered in the year concerned near San Luis, Sonora.

(c) During the period from the time the Davis dam and reservoir are placed in operation until January 1, 1980, the United States shall also deliver

to Mexico annually, of the water allotted to it, 500,000 acre-feet (616,745,000 cubic meters), and thereafter the United States shall deliver annually 375,000 acre-feet (462,558,000 cubic meters), at the international boundary line, by means of the All-American Canal and a canal connecting the lower end of the Pilot Knob Wasteway with the Alamo Canal or with any other Mexican canal which may be substituted for the Alamo Canal. In either event the deliveries shall be made at an operating water surface elevation not higher than that of the Alamo Canal at the point where it crossed the international boundary line in the year 1943.

(d) All the deliveries of water specified above shall be made subject to the provisions of Article 15 of this Treaty.

ARTICLE 12

The two Governments agree to construct the following works:

(a) Mexico shall construct at its expense, within a period of five years from the date of the entry into force of this Treaty, a main diversion structure below the point where the northernmost part of the international land boundary line intersects the Colorado River. If such diversion structure is located in the limitrophe section of the river, its location, design and construction shall be subject to the approval of the Commission. The Commission shall thereafter maintain and operate the structure at the expense of Mexico. Regardless of where such diversion structure is located, there shall simultaneously be constructed such levees, interior drainage facilities and other works, or improvements to existing works, as in the opinion of the Commission shall be necessary to protect lands within the United States against damage from such floods and seepage as might result from the construction, operation and maintenance of this diversion structure. These protective works shall be constructed, operated and maintained at the expense of Mexico by the respective Sections of the Commission, or under their supervision, each within the territory of its own country.

(b) The United States, within a period of five years from the date of the entry into force of this Treaty, shall construct in its own territory and at its expense, and thereafter operate and maintain at its expense, the Davis storage dam and reservoir, a part of the capacity of which shall be used to make possible the regulation at the boundary of the waters to be delivered to Mexico in accordance with the provisions of Article 15 of this Treaty.

(c) The United States shall construct or acquire in its own territory the works that may be necessary to convey a part of the waters of the Colorado River allotted to Mexico to the Mexican diversion points on the international land boundary line referred to in this Treaty. Among these works shall be included: the canal and other works necessary to convey water from the lower end of the Pilot Knob Wasteway to the international boundary, and, should Mexico request it, a canal to connect the main diversion structure referred to in

subparagraph (a) of this Article, if this diversion structure should be built in the limitrophe section of the river, with the Mexican system of canals at a point to be agreed upon by the Commission on the international land boundary near San Luis, Sonora. Such works shall be constructed or acquired and operated and maintained by the United States Section at the expense of Mexico. Mexico shall also pay the costs of any sites or rights of way required for such works.

(d) The Commission shall construct, operate and maintain in the limitrophe section of the Colorado River, and each Section shall construct, operate and maintain in the territory of its own country on the Colorado River below Imperial Dam and on all other carrying facilities used for the delivery of water to Mexico, all necessary gaging stations and other measuring devices for the purpose of keeping a complete record of the waters delivered to Mexico and of the flows of the river. All data obtained as to such deliveries and flows shall be periodically compiled and exchanged between the two Sections.

ARTICLE 13

The Commission shall study, investigate and prepare plans for flood control on the Lower Colorado River between Imperial Dam and the Gulf of California, in both the United States and Mexico, and shall, in a Minute, report to the two Governments the works which should be built, the estimated cost thereof, and the part of the works to be constructed by each Government. The two Governments agree to construct, through their respective Sections of the Commission, such works as may be recommended by the Commission and approved by the two Governments, each Government to pay the costs of the works constructed by it. The Commission shall likewise recommend the parts of the works to be operated and maintained jointly by the Commission and the parts to be operated and maintained by each Section. The two Governments agree to pay in equal shares the cost of joint operation and maintenance, and each Government agrees to pay the cost of operation and maintenance of the works assigned to it for such purpose.

ARTICLE 14

In consideration of the use of the All-American Canal for the delivery to Mexico, in the manner provided in Articles 11 and 15 of this Treaty, of a part of its allotment of the waters of the Colorado River, Mexico shall pay to the United States:

(a) A proportion of the costs actually incurred in the construction of Imperial Dam and the Imperial Dam-Pilot Knob section of the All-American Canal, this proportion and the method and terms of repayment to be determined by the two Governments, which, for this purpose, shall take into consideration the proportionate uses of these facilities by the two countries,

these determinations to be made as soon as Davis dam and reservoir are placed in operation.

(b) Annually, a proportionate part of the total costs of maintenance and operation of such facilities, these costs to be prorated between the two countries in proportion to the amount of water delivered annually through such facilities for use in each of the two countries.

In the event that revenues from the sale of hydroelectric power which may be generated at Pilot Knob become available for the amortization of part or all of the costs of the facilities named in subparagraph (a) of this Article, the part that Mexico should pay of the costs of said facilities shall be reduced or repaid in the same proportion as the balance of the total costs are reduced or repaid. It is understood that any such revenue shall not become available until the cost of any works which may be constructed for the generation of hydroelectric power at said location has been fully amortized from the revenues derived therefrom.

ARTICLE 15

A. The water allotted in subparagraph (a) of Article 10 of this Treaty shall be delivered to Mexico at the points of delivery specified in Article 11, in accordance with the following two annual schedules of deliveries by months, which the Mexican Section shall formulate and present to the Commission before the beginning of each calendar year:

SCHEDULE I

Schedule I shall cover the delivery, in the limitrophe section of the Colorado River, of 1,000,000 acre-feet (1,233,489,000 cubic meters) of water each year from the date Davis dam and reservoir are placed in operation until January 1, 1980 and the delivery of 1,125,000 acre-feet (1,387,675,000 cubic meters) of water each year thereafter. This schedule shall be formulated subject to the following limitations:

With reference to the 1,000,000 acre-foot (1,233,489,000 cubic meter) quantity:

(a) During the months of January, February, October, November and December the prescribed rate of delivery shall be not less than 600 cubic feet (17.0 cubic meters) nor more than 3,500 cubic feet (99.1 cubic meters) per second.

(b) During the remaining months of the year the prescribed rate of delivery shall be not less than 1,000 cubic feet (28.3 cubic meters) nor more than 3,500 cubic feet (99.1 cubic meters) per second.

With reference to the 1,125,000 acre-foot (1,387,675,000 cubic meter) quantity:

(a) During the months of January, February, October, November and December the prescribed rate of delivery shall be not less than 675

cubic feet (19.1 cubic meters) nor more than 4,000 cubic feet (113.3 cubic meters) per second.

(b) During the remaining months of the year the prescribed rate of delivery shall be not less than 1,125 cubic feet (31.9 cubic meters) nor more than 4,000 cubic feet (113.3 cubic meters) per second.

Should deliveries of water be made at a point on the land boundary near San Luis, Sonora, as provided for in Article 11, such deliveries shall be made under a sub-schedule to be formulated and furnished by the Mexican Section. The quantities and monthly rates of deliveries under such sub-schedule shall be in proportion to those specified for Schedule I, unless otherwise agreed upon by the Commission.

SCHEDULE II

Schedule II shall cover the delivery at the boundary line by means of the All-American Canal of 500,000 acre-feet (616,745,000 cubic meters) of water each year from the date Davis dam and reservoir are placed in operation until January 1, 1980 and the delivery of 375,000 acre-feet (462,558,000 cubic meters) of water each year thereafter. This schedule shall be formulated subject to the following limitations:

With reference to the 500,000 acre-foot (616,745,000 cubic meter) quantity:

(a) During the months of January, February, October, November and December the prescribed rate of delivery shall be not less than 300 cubic feet (8.5 cubic meters) nor more than 2,000 cubic feet (56.6 cubic meters) per second.

(b) During the remaining months of the year the prescribed rate of delivery shall be not less than 500 cubic feet (14.2 cubic meters) nor more than 2,000 cubic feet (56.6 cubic meters) per second.

With reference to the 375,000 acre-foot (462,558,000 cubic meter) quantity:

(a) During the months of January, February, October, November and December the prescribed rate of delivery shall be not less than 225 cubic feet (6.4 cubic meters) nor more than 1,500 cubic feet (42.5 cubic meters) per second.

(b) During the remaining months of the year the prescribed rate of delivery shall be not less than 375 cubic feet (10.6 cubic meters) nor more than 1,500 cubic feet (42.5 cubic meters) per second.

B. The United States shall be under no obligation to deliver through the All-American Canal, more than 500,000 acre-feet (616,745,000 cubic meters) annually from the date Davis dam and reservoir are placed in operation until January 1, 1980 or more than 375,000 acre-feet (462,558,000 cubic meters) annually thereafter. If, by mutual agreement, any part of the quantities of water specified

in this paragraph are delivered to Mexico at points on the land boundary otherwise than through the All-American Canal, the above quantities of water and the rates of deliveries set out under Schedule II of this Article shall be correspondingly diminished.

C. The United States shall have the option of delivering, at the point on the land boundary mentioned in subparagraph (c) of Article 11, any part or all of the water to be delivered at that point under Schedule II of this Article during the months of January, February, October, November and December of each year, from any source whatsoever, with the understanding that the total specified annual quantities to be delivered through the All-American Canal shall not be reduced because of the exercise of this option, unless such reduction be requested by the Mexican Section, provided that the exercise of this option shall not have the effect of increasing the total amount of scheduled water to be delivered to Mexico.

D. In any year in which there shall exist in the river water in excess of that necessary to satisfy the requirements in the United States and the guaranteed quantity of 1,500,000 acre-feet (1,850,234,000 cubic meters) allotted to Mexico, the United States hereby declares its intention to cooperate with Mexico in attempting to supply additional quantities of water through the All-American Canal as such additional quantities are desired by Mexico, if such use of the Canal and facilities will not be detrimental to the United States, provided that the delivery of any additional quantities through the All-American Canal shall not have the effect of increasing the total scheduled deliveries to Mexico. Mexico hereby declares its intention to cooperate with the United States by attempting to curtail deliveries of water through the All-American Canal in years of limited supply, if such curtailment can be accomplished without detriment to Mexico and is necessary to allow full use of all available water supplies, provided that such curtailment shall not have the effect of reducing the total scheduled deliveries of water to Mexico.

E. In any year in which there shall exist in the river water in excess of that necessary to satisfy the requirements in the United States and the guaranteed quantity of 1,500,000 acre-feet (1,850,234,000 cubic meters) allotted to Mexico, the United States Section shall so inform the Mexican Section in order that the latter may schedule such surplus water to complete a quantity up to a maximum of 1,700,000 acre-feet (2,096,931,000 cubic meters). In this circumstance the total quantities to be delivered under Schedules I and II shall be increased in proportion to their respective total quantities and the two schedules thus increased shall be subject to the same limitations as those established for each under paragraph A of this Article.

F. Subject to the limitations as to rates of deliveries and total quantities set out in Schedules I and II, Mexico shall have the right, upon thirty days notice in advance to the United States Section, to increase or decrease each monthly

quantity prescribed by those schedules by not more than 20% of the monthly quantity.

G. The total quantity of water to be delivered under Schedule I of paragraph A of this Article may be increased in any year if the amount to be delivered under Schedule II is correspondingly reduced and if the limitations as to rates of delivery under each schedule are correspondingly increased and reduced.

IV—Tijuana River

ARTICLE 16

In order to improve existing uses and to assure any feasible further development, the Commission shall study and investigate, and shall submit to the two Governments for their approval:

(1) Recommendations for the equitable distribution between the two countries of the waters of the Tijuana River system;

(2) Plans for storage and flood control to promote and develop domestic, irrigation, and other feasible uses of the waters of this system;

(3) An estimate of the cost of the proposed works and the manner in which the construction of such works or the cost thereof should be divided between the two Governments;

(4) Recommendations regarding the parts of the works to be operated and maintained by the Commission and the parts to be operated and maintained by each Section.

The two Governments through their respective Sections of the Commission shall construct such of the proposed works as are approved by both Governments, shall divide the work to be done or the cost thereof, and shall distribute between the two countries the waters of the Tijuana River system in the proportions approved by the two Governments. The two Governments agree to pay in equal shares the costs of joint operation and maintenance of the works involved, and each Government agrees to pay the cost of operation and maintenance of the works assigned to it for such purpose.

V.—General Provisions

ARTICLE 17

The use of the channels of the international rivers for the discharge of flood or other excess waters shall be free and not subject to limitation by either country, and neither country shall have any claim against the other in respect of any damage caused by such use. Each Government agrees to furnish the other Government, as far in advance as practicable, any information it may have in regard to such extraordinary discharges of water from reservoirs and flood flows on its own territory as may produce floods on the territory of the other.

Each Government declares its intention to operate its storage dams in such manner, consistent with the normal operations of its hydraulic systems, as to avoid, as far as feasible, material damage in the territory of the other.

ARTICLE 18

Public use of the water surface of lakes formed by international dams shall, when not harmful to the services rendered by such dams, be free and common to both countries, subject to the police regulations of each country in its territory, to such general regulations as may appropriately be prescribed and enforced by the Commission with the approval of the two Governments for the purpose of the application of the provisions of this Treaty, and to such regulations as may appropriately be prescribed and enforced for the same purpose by each Section of the Commission with respect to the areas and borders of such parts of those lakes as lie within its territory. Neither Government shall use for military purposes such water surface situated within the territory of the other country except by express agreement between the two Governments.

ARTICLE 19

The two Governments shall conclude such special agreements as may be necessary to regulate the generation, development and disposition of electric power at international plants, including the necessary provisions for the export of electric current.

ARTICLE 20

The two Governments shall, through their respective Sections of the Commission, carry out the construction of works allotted to them. For this purpose the respective Sections of the Commission may make use of any competent public or private agencies in accordance with the laws of the respective countries. With respect to such works as either Section of the Commission may have to execute on the territory of the other, it shall, in the execution of such works, observe the laws of the place where such works are located or carried out, with the exceptions hereinafter stated.

All materials, implements, equipment and repair parts intended for the construction, operation and maintenance of such works shall be exempt from import and export customs duties. The whole of the personnel employed either directly or indirectly on the construction, operation or maintenance of the works may pass freely from one country to the other for the purpose of going to and from the place of location of the works, without any immigration restrictions, passports or labor requirements. Each Government shall furnish, through its own Section of the Commission, convenient means of identification to the personnel employed by it on the aforesaid works and verification certificates covering all materials, implements, equipment and repair parts intended for the works.

Each Government shall assume responsibility for and shall adjust exclusively in accordance with its own laws all claims arising within its territory in connection with the construction, operation or maintenance of the whole or of any part of the works herein agreed upon, or of any works which may, in the execution of this Treaty, be agreed upon in the future.

ARTICLE 21

The construction of the international dams and the formation of artificial lakes shall produce no change in the fluvial international boundary, which shall continue to be governed by existing treaties and conventions in force between the two countries.

The Commission shall, with the approval of the two Governments, establish in the artificial lakes, by buoys or by other suitable markers, a practicable and convenient line to provide for the exercise of the jurisdiction and control vested by this Treaty in the Commission and its respective Sections. Such line shall also mark the boundary for the application of the customs and police regulations of each country.

ARTICLE 22

The provisions of the Convention between the United States and Mexico for the rectification of the Rio Grande (Rio Bravo) in the El Paso-Juárez Valley signed on February 1, 1933, shall govern, so far as delimitation of the boundary, distribution of jurisdiction and sovereignty, and relations with private owners are concerned, in any places where works for the artificial channeling, canalization or rectification of the Rio Grande (Rio Bravo) and the Colorado River are carried out.

ARTICLE 23

The two Governments recognize the public interest attached to the works required for the execution and performance of this Treaty and agree to acquire, in accordance with their respective domestic laws, any private property that may be required for the construction of the said works, including the main structures and their appurtenances and the construction materials therefor, and for the operation and maintenance thereof, at the cost of the country within which the property is situated, except as may be otherwise specifically provided in this Treaty.

Each Section of the Commission shall determine the extent and location of any private property to be acquired within its own country and shall make the necessary requests upon its Government for the acquisition of such property.

The Commission shall determine the cases in which it shall become necessary to locate works for the conveyance of water or electrical energy and for the servicing of any such works, for the benefit of either of the two countries, in the territory of the other country, in order that such works can be built pur-

suant to agreement between the two Governments. Such works shall be subject to the jurisdiction and supervision of the Section of the Commission within whose country they are located.

Construction of the works built in pursuance of the provisions of this Treaty shall not confer upon either of the two countries any rights either of property or of jurisdiction over any part whatsoever of the territory of the other. These works shall be part of the territory and be the property of the country wherein they are situated. However, in the case of any incidents occurring on works constructed across the limitrophe part of a river and with supports on both banks, the jurisdiction of each country shall be limited by the center line of such works, which shall be marked by the Commission, without thereby changing the international boundary.

Each Government shall retain, through its own Section of the Commission and within the limits and to the extent necessary to effectuate the provisions of this Treaty, direct ownership, control and jurisdiction within its own territory and in accordance with its own laws, over all real property—including that within the channel of any river—rights of way and rights *in rem,* that it may be necessary to enter upon and occupy for the construction, operation or maintenance of all the works constructed, acquired or used pursuant to this Treaty. Furthermore, each Government shall similarly acquire and retain in its own possession the titles, control and jurisdiction over such works.

ARTICLE 24

The International Boundary and Water Commission shall have, in addition to the powers and duties otherwise specifically provided in this Treaty, the following powers and duties:

(a) To initiate and carry on investigations and develop plans for the works which are to be constructed or established in accordance with the provisions of this and other treaties or agreements in force between the two Governments dealing with boundaries and international waters; to determine, as to such works, their location, size, kind and characteristic specifications; to estimate the cost of such works; and to recommend the division of such cost between the two Governments, the arrangements for the furnishing of the necessary funds, and the dates for the beginning of the works, to the extent that the matters mentioned in this subparagraph are not otherwise covered by specific provisions of this or any other Treaty.

(b) To construct the works agreed upon or to supervise their construction and to operate and maintain such works or to supervise their operation and maintenance, in accordance with the respective domestic laws of each country. Each Section shall have, to the extent necessary to give effect to the provisions of this Treaty, jurisdiction over the works constructed exclusively in the territory of its country whenever such works shall be connected with or shall directly affect the execution of the provisions of this Treaty.

(c) In general to exercise and discharge the specific powers and duties entrusted to the Commission by this and other treaties and agreements in force between the two countries, and to carry into execution and prevent the violation of the provisions of those treaties and agreements. The authorities of each country shall aid and support the exercise and discharge of these powers and duties, and each Commissioner shall invoke when necessary the jurisdiction of the courts or other appropriate agencies of his country to aid in the execution and enforcement of these powers and duties.

(d) To settle all differences that may arise between the two Governments with respect to the interpretation or application of this Treaty, subject to the approval of the two Governments. In any case in which the Commissioners do not reach an agreement, they shall so inform their respective governments reporting their respective opinions and the grounds therefor and the points upon which they differ, for discussion and adjustment of the difference through diplomatic channels and for application where proper of the general or special agreements which the two Governments have concluded for the settlement of controversies.

(e) To furnish the information requested of the Commissioners jointly by the two Governments on matters within their jurisdiction. In the event that the request is made by one Government alone, the Commissioner of the other Government must have the express authorization of his Government in order to comply with such request.

(f) The Commission shall construct, operate and maintain upon the limitrophe parts of the international streams, and each Section shall severally construct, operate and maintain upon the parts of the international streams and their tributaries within the boundaries of its own country, such stream gaging stations as may be needed to provide the hydrographic data necessary or convenient for the proper functioning of this Treaty. The data so obtained shall be compiled and periodically exchanged between the two Sections.

(g) The Commission shall submit annually a joint report to the two Governments on the matters in its charge. The Commission shall also submit to the two Governments joint reports on general or any particular matters at such other times as it may deem necessary or as may be requested by the two Governments.

ARTICLE 25

Except as otherwise specifically provided in this Treaty, Articles III and VII of the Convention of March 1, 1889 shall govern the proceedings of the Commission in carrying out the provisions of this Treaty. Supplementary thereto the Commission shall establish a body of rules and regulations to govern its procedure, consistent with the provisions of this Treaty and of Articles III and VII of the Convention of March 1, 1889 and subject to the approval of both Governments.

Decisions of the Commission shall be recorded in the form of Minutes done in duplicate in the English and Spanish languages, signed by each Commissioner and attested by the Secretaries, and copies thereof forwarded to each Government within three days after being signed. Except where the specific approval of the two Governments is required by any provision of this Treaty, if one of the Governments fails to communicate to the Commission its approval or disapproval of a decision of the Commission within thirty days reckoned from the date of the Minute in which it shall have been pronounced, the Minute in question and the decisions which it contains shall be considered to be approved by that Government. The Commissioners within the limits of their respective jurisdictions, shall execute the decisions of the Commission that are approved by both Governments.

If either Government disapproves a decision of the Commission the two Governments shall take cognizance of the matter, and if an agreement regarding such matter is reached between the two Governments, the agreements shall be communicated to the Commissioners, who shall take such further proceedings as may be necessary to carry out such agreement.

VI—Transitory Provisions

ARTICLE 26

During a period of eight years from the date of the entry into force of this Treaty, or until the beginning of operation of the lowest major international reservoir on the Rio Grande (Rio Bravo), should it be placed in operation prior to the expiration of said period, Mexico will cooperate with the United States to relieve, in times of drought, any lack of water needed to irrigate the lands now under irrigation in the Lower Rio Grande Valley in the United States, and for this purpose Mexico will release water from El Azucar reservoir on the San Juan River and allow that water to run through its system of canals back into the San Juan River in order that the United States may divert such water from the Rio Grande (Rio Bravo). Such releases shall be made on condition that they do not affect the Mexican irrigation system, provided that Mexico shall, in any event, except in cases of extraordinary drought or serious accident to its hydraulic works, release and make available to the United States for its use the quantities requested, under the following conditions: that during the said eight years there shall be made available a total of 160,000 acre-feet (197,358,000 cubic meters) and up to 40,000 acre-feet (49,340,000 cubic meters) in any one year; that the water shall be made available as requested at rates not exceeding 750 cubic feet (21.2 cubic meters) per second; that when the rates of flow requested and made available have been more than 500 cubic feet (14.2 cubic meters) per second the period of release shall not extend beyond fifteen consecutive days; and that at least thirty days must elapse between any two periods of release during which rates of flow in excess

of 500 cubic feet (14.2 cubic meters) per second have been requested and made available. In addition to the guaranteed flow, Mexico shall release from El Azúcar reservoir and conduct through its canal system and the San Juan River, for use in the United States during periods of drought and after satisfying the needs of Mexican users, any excess water that does not in the opinion of the Mexican Section have to be stored and that may be needed for the irrigation of lands which were under irrigation during the year 1943 in the Lower Rio Grande Valley in the United States.

ARTICLE 27

The provisions of Article 10, 11, and 15 of this Treaty shall not be applied during a period of five years from the date of the entry into force of this Treaty, or until the Davis dam and the major Mexican diversion structure on the Colorado River are placed in operation, should these works be placed in operation prior to the expiration of said period. In the meantime Mexico may construct and operate at its expense a temporary diversion structure in the bed of the Colorado River in territory of the United States for the purpose of diverting water into the Alamo Canal, provided that the plans for such structure and the construction and operation thereof shall be subject to the approval of the United States Section. During this period of time the United States will make available in the river at such diversion structure river flow not currently required in the United States, and the United States will cooperate with Mexico to the end that the latter may satisfy its irrigation requirements within the limits of those requirements for lands irrigated in Mexico from the Colorado River during the year 1943.

VII—FINAL PROVISIONS

ARTICLE 28

This Treaty shall be ratified and the ratifications thereof shall be exchanged in Washington. It shall enter into force on the day of the exchange of ratifications and shall continue in force until terminated by another Treaty concluded for that purpose between the two Governments.

In witness whereof the respective Plenipotentiaries have signed this Treaty and have hereunto affixed their seals.

Done in duplicate in the English and Spanish languages, in Washington on this third day of February, 1944.

For the Government of the United States of America:

CORDELL HULL. [SEAL]
GEORGE S. MESSERSMITH. [SEAL]
LAWRENCE M. LAWSON. [SEAL]

For the Government of the United Mexican States:

F. CASTILLO NÁJERA. [SEAL]
RAFAEL FERNÁNDEZ MACGREGOR. [SEAL]

833942—50—83

PROTOCOL

The Government of the United States of America and the Government of the United Mexican States agree and understand that:

Wherever, by virtue of the provisions of the Treaty between the United States of America and the United Mexican States, signed in Washington on February 3, 1944, relating to the utilization of the waters of the Colorado and Tijuana Rivers and of the Rio Grande from Fort Quitman, Texas, to the Gulf of Mexico, specific functions are imposed on, or exclusive jurisdiction is vested in, either of the Sections of the International Boundary and Water Commission, which involve the construction or use of works for storage or conveyance of water, flood control, stream gaging, or for any other purpose, which are situated wholly within the territory of the country of that Section, and which are to be used only partly for the performance of treaty provisions, such jurisdiction shall be exercised, and such functions, including the construction, operation and maintenance of the said works, shall be performed and carried out by the Federal agencies of that country which now or hereafter may be authorized by domestic law to construct, or to operate and maintain, such works. Such functions or jurisdictions shall be exercised in conformity with the provisions of the Treaty and in cooperation with the respective Section of the Commission, to the end that all international obligations and functions may be coordinated and fulfilled.

The works to be constructed or used on or along the boundary, and those to be constructed or used exclusively for the discharge of treaty stipulations, shall be under the jurisdiction of the Commission or of the respective Section, in accordance with the provisions of the Treaty. In carrying out the construction of such works the Sections of the Commission may utilize the services of public or private organizations in accordance with the laws of their respective countries.

This Protocol, which shall be regarded as an integral part of the aforementioned Treaty signed in Washington on February 3, 1944, shall be ratified and the ratifications thereof shall be exchanged in Washington. This Protocol shall be effective beginning with the day of the entry into force of the Treaty and shall continue effective so long as the Treaty remains in force.

In witness whereof the respective Plenipotentiaries have signed this Protocol and have hereunto affixed their seals.

Done in duplicate, in the English and Spanish languages, in Washington, this fourteenth day of November, 1944.

For the Government of the United States of America:

E. R. STETTINIUS, JR.,
Acting Secretary
of the United States of America.

[SEAL]

For the Government of the United Mexican States:

F. CASTILLO NAJERA,
Ambassador Extraordinary and Plenipoteniary of the United Mexican States in Washington.

[SEAL]

AND WHEREAS the Senate of the United States of America by their Resolution of April 18, 1945, two-thirds of the Senators present concurring therein, did advise and consent to the ratification of the said treaty and protocol, subject to certain understandings, the text of which Resolution is word for word as follows:

"*Resolved (two-thirds of the Senators present concurring therein),* That the Senate advise and consent to the ratification of Executive A, Seventy-eighth Congress, second session, a treaty between the United States of America and the United Mexican States, signed at Washington on February 3, 1944, relating to the utilization of the waters of the Colorado and Tijuana Rivers and of the Rio Grande from Fort Quitman, Tex., to the Gulf of Mexico, and Executive H, Seventy-eighth Congress, second session, a protocol, signed at Washington on November 14, 1944, supplementary to the treaty, subject to the following understandings, and that these understandings will be mentioned in the ratification of this treaty as conveying the true meaning of the treaty, and will in effect form a part of the treaty:

"(a) That no commitment for works to be built by the United States in whole or in part at its expense, or for expenditures by the United States, other than those specifically provided for in the treaty, shall be made by the Secretary of State of the United States, the Commissioner of the United States section of the International Boundary and Water Commission, the United States Section of said Commission, or any other officer or employee of the United States, without prior approval of the Congress of the United States. It is understood that the works to be built by the United States, in whole or in part at its expense, and the expenditures by the United States, which are specifically provided for in the treaty, are as follows:

"1. The joint construction of the three storage and flood-control dams on the Rio Grande below Fort Quitman, Tex., mentioned in article 5 of the treaty.

"2. The dams and other joint works required for the diversion of the flow of the Rio Grande mentioned in subparagraph II of article 5 of the treaty, it being understood that the commitment of the United States to make expenditures under this subparagraph is limited to its share of the cost of one dam and works appurtenant thereto.

"3. Stream-gaging stations which may be required under the provisions of section (j) of article 9 of the treaty and of subparagraph (d) of article 12 of the treaty.

"4. The Davis Dam and Reservoir mentioned in subparagraph (b) of article 12 of the treaty.

"5. The joint flood-control investigations, preparation of plans, and reports on the Rio Grande below Fort Quitman required by the provisions of article 6 of the treaty.

"6. The joint flood-control investigations, preparation of plans, and reports on the lower Colorado River between the Imperial Dam and the Gulf of California required by article 13 of the treaty.

"7. The joint investigations, preparation of plans, and reports on the establishment of hydroelectric plants at the international dams on the Rio Grande below Fort Quitman provided for by article 7 of the treaty.

"8. The studies, investigations, preparation of plans, recommendations, reports, and other matters dealing with the Tijuana River system provided for by the first paragraph (including the numbered subparagraphs) of article 16 of the treaty.

"(b) Insofar as they affect persons and property in the territorial limits of the United States, the powers and functions of the Secretary of State of the United States, the Commissioner of the United States Section of the International Boundary and Water Commission, the United States Section of said Commission, and any other officer or employee of the United States, shall be subject to the statutory and constitutional controls and processes. Nothing contained in the treaty or protocol shall be construed as impairing the power of the Congress of the United States to define the terms of office of members of the United States Section of the International Boundary and Water Commission or to provide for their appointment by the President by and with the advice and consent of the Senate or otherwise.

"(c) That nothing contained in the treaty or protocol shall be construed as authorizing the Secretary of State of the United States, the Commissioner of the United States Section of the International Boundary and Water Commission, or the United States Section of said Commission, directly or indirectly to alter or control the distribution of water to users within the territorial limits of any of the individual States.

"(d) That 'international dam or reservoir' means a dam or reservoir built across the common boundary between the two countries.

"(e) That the words 'international plants,' appearing in article 19, mean only hydroelectric generating plants in connection with dams built across the common boundary between the two countries.

"(f) That the words 'electric current,' appearing in article 19, mean hydroelectric power generated at an international plant.

"(g) That by the use of the words 'The jurisdiction of the Commission shall extend to the limitrophe parts of the Rio Grande (Rio Bravo) and the Colorado River, to the land boundary between the two countries, and to works located upon their common boundary * * *' in the first sentence of the fifth

paragraph of article 2, is meant: 'The jurisdiction of the Commission shall extend and be limited to the limitrophe parts of the Rio Grande (Rio Bravo) and the Colorado River, to the land between the two countries, and to works located upon their common boundary * * *.'

"(h) The word 'agreements' whenever used in subparagraph (a), (c) and (d) of article 24 of the treaty shall refer only to agreements entered into pursuant to and subject to the provisions and limitations of treaties in force between the United States of America and the United Mexican States.

"(i) The word 'disputes' in the second paragraph of article 2 hall have reference only to disputes between the Governments of the United States of America and the United Mexican States.

"(j) First, that the 1,700,000 acre-feet specified in subparagraph (b) of article 10 includes and is not in addition to the 1,500,000 acre-feet, the delivery of which to Mexico is guaranteed in subparagraph (a) of article 10; second, that the 1,500,000 acre-feet specified in three places in said subparagraph (b) is identical with the 1,500,000 acre-feet specified in said subparagraph (a); third, that any use by Mexico under said subparagraph (b) of quantities of water arriving at the Mexican points of diversion in excess of said 1,500,000 acre-feet shall not give rise to any future claim of right by Mexico in excess of said guaranteed quantity of 1,500,000 acre-feet of water.

"(k) The United States recognizes a duty to require that the protective structures to be constructed under article 12, paragraph (a), of this treaty, are so constructed, operated, and maintained as to adequately prevent damage to property and lands within the United States from the construction and operation of the diversion structure referred to in said paragraph."

AND WHEREAS the said treaty and protocol were duly ratified by the President of the United States of America on November 1, 1945, in pursuance of the aforesaid advice and consent of the Senate and subject to the aforesaid understandings on the part of the United States of America;

AND WHEREAS the said treaty and protocol were duly ratified by the President of the United Mexican States on October 16, 1945, in pursuance and according to the terms of a Decree of September 27, 1945 of the Senate of the United Mexican States approving the said treaty and protocol and approving the said understandings on the part of the United States of America in all that refers to the rights and obligations between the parties;

AND WHEREAS it is provided in Article 28 of the said treaty that the treaty shall enter into force on the day of the exchange of ratifications;

AND WHEREAS it is provided in the said protocol that the protocol shall be regarded as an integral part of the said treaty and shall be effective beginning with the day of the entry into force of the said treaty;

AND WHEREAS the respective instruments of ratification of the said treaty and protocol were duly exchanged, and a protocol of exchange of instruments of

ratification was signed in the English and Spanish languages, by the respective Plenipotentiaries of the United States of America and the United Mexican States on November 8, 1945, the English text of which protocol of exchange of instruments of ratification reads in parts as follows:

"The ratification by the Government of the United States of America of the treaty and protocol aforesaid recites in their entirety the understandings contained in the resolution of April 18, 1945 of the Senate of the United States of America advising and consenting to ratification, the text of which resolution was communicated by the Government of the United States of America to the Government of the United Mexican States. The ratification by the Government of the United Mexican States of the treaty and protocol aforesaid is effected, in the terms of its instrument of ratification, in conformity to the Decree of September 27, 1945 of the Senate of the United Mexican States approving the treaty and protocol aforesaid and approving also the aforesaid understandings on the part of the United States of America in all that refers to the rights and obligations between both parties, and in which the Mexican Senate refrains from considering, because it is not competent to pass judgment upon them, the provisions which relate exclusively to the internal application of the treaty within the United States of America and by its own authorities, and which are included in the understandings set forth under the letter (a) in its first part to the period preceding the words 'It is understood' and under the letters (b) and (c)."

NOW, THEREFORE, be it known that I, Harry S. Truman, President of the United States of America, do hereby proclaim and make public the said treaty and the said protocol supplementary thereto, to the end that the same and every article and clause thereof may be observed and fulfilled with good faith, on and from the eighth day of November, one thousand nine hundred forty-five, by the United States of America and by the citizens of the United States of America and all other persons subject to the jurisdiction thereof.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the city of Washington this twenty-seventh day of November in the year of our Lord one thousand nine-hundred forty-five and [SEAL] of the Independence of the United States of America the one hundred seventieth.

HARRY S. TRUMAN

By the President:

JAMES F. BYRNES
Secretary of State

[ITEM 118]

BOULDER CANYON PROJECT

MEMORANDUM OF UNDERSTANDING

AS TO FUNCTIONS AND JURISDICTION OF AGENCIES OF THE UNITED STATES IN RELATION TO THE COLORADO AND TIJUANA RIVERS AND THE RIO GRANDE BELOW FORT QUITMAN, TEXAS, UNDER WATER TREATY SIGNED AT WASHINGTON, FEBRUARY 3, 1944.

FEBRUARY 14, 1945

This memorandum of understanding made this 14th day of February, 1945, between the Department of State and the United States Section, International Boundary and Water Commission, United States and Mexico (hereinafter referred to as the "United States Section"), represented by the Secretary of State, and the Department of the Interior, represented by the Secretary of the Interior, pursuant to the provisions of the Treaty of February 3, 1944 between the United States and Mexico relating to the Colorado and Tijuana Rivers and the Rio Grande below Fort Quitman, Texas, (hereinafter referred to as the "treaty"); the Protocol between the two Governments supplementary to the treaty (hereinafter referred to as the "protocol") dated November 14, 1944; and existing domestic law of the United States.

WITNESSETH, THAT,

a. WHEREAS, the treaty establishes certain reciprocal rights and obligations of the two nations and requires for its execution both joint and independent determinations and actions on the part of the two Governments as represented, in the case of the United States, by the Department of State and in the case of Mexico by the Ministry of Foreign Relations, or acting through their respective Sections of the International Boundary and Water Commission; and

b. WHEREAS, the use of works both of an international and domestic

character will be necessarily involved in the discharge of various treaty functions; and

c. WHEREAS, the protocol provides that the said Governments agree and understand that:

> Wherever, by virtue of the provisions of the Treaty between the United States of America and the United Mexican States, signed in Washington on February 3, 1944, relating to the utilization of the waters of the Colorado and Tijuana Rivers and of the Rio Grande from Fort Quitman, Texas, to the Gulf of Mexico, specific functions are imposed on, or exclusive jurisdiction is vested in, either of the Sections of the International Boundary and Water Commission, which involve the construction or use of works for storage or conveyance of water, flood control, stream gaging, or for any other purpose, which are situated wholly within the Territory of the country of that Section, and which are to be used only partly for the performance of treaty provisions, such jurisdiction shall be exercised, and such functions, including the construction, operation and maintenance of the said works, shall be performed and carried out by the Federal agencies of that country which now or hereafter may be authorized by domestic law to construct or to operate and maintain, such works. Such functions or jurisdictions shall be exercised in conformity with the provisions of the Treaty and in cooperation with the respective Section of the Commission, to the end that all international obligations and functions may be coordinated and fulfilled.
>
> The works to be constructed or used on or along the boundary, and those to be constructed or used exclusively for the discharge of treaty stipulations, shall be under the jurisdiction of the Commission or of the respective Section, in accordance with the provisions of the Treaty. In carrying out the construction of such works the Sections of the Commission may utilize the services of public or private organizations in accordance with the laws of their respective countries.

and which protocol is by the terms thereof made an integral part of the treaty, to be effective on the day of the entry into force of the treaty and to continue effective so long as the treaty remains in force; and

d. WHEREAS, by virtue of the treaty and the protocol, the Secretary of State and the United States Section are vested with general jurisdiction over the performance of treaty functions, in so far as the rights and obligations of the United States are concerned, and are likewise vested, and from time to time in the future may be further vested, with jurisdiction over various works, constructed and to be constructed, on or along the boundary between the United States and Mexico, and over certain matters and problems of an international character arising on or affecting the said boundary, by virtue of treaties in force between the two nations, and by virtue of Acts of Congress; and

e. WHEREAS, the Secretary of the Interior, pursuant to the Reclamation Law and other Acts of Congress pertaining to the investigation, conservation and utilization of the water resources of the United States, has been, and from time to time in the future may be authorized to construct and to operate and maintain certain facilities wholly in the United States for the storage and conveyance of water, flood control, production of hydroelectric power and for other purposes, which facilities primarily pertain to the functions of the

Department of the Interior but, some of which facilities, in consequence of the treaty, will in part also pertain to treaty functions; and

f. WHEREAS, the Bureau of Reclamation (hereinafter referred to as the "Bureau") is an agency of the Department of the Interior which aids and assists the Secretary of the Interior in the performance of his responsibilities and functions pursuant to the Reclamation Law and other Acts of Congress pertaining to the investigation, conservation and utilization of the water resources of the United States; and

g. WHEREAS, in order that all international and domestic obligations and functions prescribed by the treaty and domestic law may be coordinated and fulfilled in the manner contemplated by the protocol, it is mutually desirable to define and set forth the specific jurisdiction and functions to be exercised by the Department of State and the United States Section, and the Department of the Interior and its agency, the Bureau, with respect to the operation and maintenance of such existing works as may be necessary in whole or in part to the fulfillment of treaty provisions, or which may be constructed, operated and maintained pursuant thereto, and with respect to the gathering and collation of certain information and data and the making of certain findings of fact and recommendations which may become necessary or desirable in the fulfillment of treaty provisions; and to define the cooperation between the said Interior agency and the United States Section as contemplated by the protocol in the performance of functions under their respective jurisdiction;

Now, therefore, it is agreed as follows:

1. The principles enunciated in this memorandum and in the protocol and hereinabove in recital *c* set forth shall control with respect to all facilities or works which now exist and which are to be used in whole or in part in the discharge of treaty functions, or which may hereafter be constructed pursuant to the treaty in relation to the Rio Grande below Fort Quitman, Texas, and the Colorado and Tijuana Rivers, even though such facilities or works may not be herein specifically enumerated. For the purpose of defining the respective jurisdiction and function of the Department of State, the Department of the Interior and their respective agencies represented thereby, respecting facilities which have been heretofore, or, which hereafter may be constructed or hereafter used in connection with the performance of treaty provisions:

(a) the term "works" and the term "facilities" shall be construed as embracing either or both works and facilities, and

(b) For the purpose of this memorandum, the term "works located upon their common boundary," as used in the treaty, and the term "on * * * the boundary" wherever used in the treaty or the protocol, shall have application only to works or features of works situated partly in both countries. For the purpose of this memorandum the term "along the boundary," as used in the protocol, shall have application only to works or the features of works located in such proximity to the boundary and of such a character as to control

or affect the regimen or flow of the boundary sections of the Rio Grande or Colorado River, as determined by the Secretary of State after consultation with the Secretary of the Interior and, in the event they shall not be in accord as to such determination, with the approval of the President.

The provisions of this subdivision of this memorandum shall not be construed to affect:

(1) the allocation of works as to jurisdiction or function, or both, made elsewhere in this memorandum,

(2) the regulatory jurisdiction of the Commission or the United States Section arising under prior existing treaties and Acts of Congress.

(c) Nothing in this memorandum shall be construed as affecting, limiting, or modifying the functions and activities of the United States Geological Survey, or of the United States Section, respectively, with respect to stream gaging and other water resources investigations.

2. The United States Section shall consult with the Bureau with respect to the plans contemplated by subsection (2) of Article 16 of the treaty relating to the Tijuana River.

3. The Department of State and the Department of the Interior, and their respective agencies, the United States Section and the Bureau, in the exercise of their respective jurisdictions and performance of their respective functions, will cooperate with each other, among other things, as to effecting, to the extent permissible by law, assignment of personnel, transfer of funds and exchange of information to the end that there may be fulfilled the provisions of the treaty, as supplemented by the protocol, and the Reclamation Law and all other Acts of Congress pertaining to the functions of the Department of the Interior as to the investigation, conservation and utilization of the natural resources of the United States. The Secretary of State and the Secretary of the Interior will cooperate in making studies, reports and recommendations, including those pertaining to the obtaining of such legislative authorization as may be necessary, concerning the allocation of costs of construction and operation and maintenance of existing or future works, and of water investigations, within the United States which have been heretofore, or may be in the future, constructed or performed in whole or in part under authority vested in the Secretary of the Interior and which may be utilized in whole or in part in the fulfillment of the treaty.

4. Unless and until otherwise provided in accordance with the domestic law of the United States, in conformance with the treaty and the protocol, the Bureau shall exercise or continue to exercise jurisdiction, and shall perform functions and construction, where new construction may be involved, and operation and maintenance, within the principles stated herein, as to facilities and works as follows:

(a) *Rio Grande*

(1) All facilities and works within the United States constituting the Valley Gravity Canal and Storage project as provided for in the Act of June 28, 1941 (55

Stat. 303, 338) except those portions of the Project designated by the Secretary of State, under the authority of that Act, as being international in character: *Provided,* however, that whenever the construction, operation or maintenance of any feature of such works or facilities may involve the use of, affect or interfere with the construction, operation or maintenance of any feature of the Lower Rio Grande Flood Control project under the jurisdiction of the United States Section, the plans and specifications and principles of operation as to such feature of the said Valley Gravity Canal and Storage project shall be formulated by the Bureau subject to the approval of the United States Section.

(b) *Colorado River*

(1) All facilities and works above and including Laguna Dam, and all works constituting a part of the Yuma and Gila Federal Reclamation projects of the Department of the Interior.

(2) All-American Canal.

(3) Pilot Knob check and wasteway and, to whatever extent provision may be made for the generation of electric energy at Pilot Knob by the United States, the Pilot Knob power plant and appurtenances.

(4) The design of the protective works within the United States contemplated by the provisions of Article 12 (a) of the treaty as a result of the construction of the Mexican diversion structure in the Colorado River shall be subject to the approval of the Bureau, with the understanding that the part of such works to be built in the United States may be built and operated and maintained by the Bureau, at its option, subject to supervisory control by the United States Section.

(5) The flood control works contemplated by Article 13 of the Treaty above Laguna Dam and, to the extent that may hereafter be agreed upon between the United States Section and the Bureau by a memorandum supplementary hereto, the flood control works allocated to the United States between Laguna Dam and the boundary: *Provided,* however, that nothing herein shall impair or modify the jurisdiction and functions of the Bureau under the Act of January 21, 1927 (44 Stat. 1010), as amended, relating to the Colorado River front work and levee system.

(6) The Bureau will collect and communicate to the United States Section such data and information as may be necessary for the use of the United States Section in making the determinations and findings of fact in accordance with Article 10 and Article 15 of the treaty. Such determinations and findings shall be made by the United States Section after consultation with the Bureau.

5. Unless and until otherwise provided in accordance with domestic laws of the United States, in conformance with the treaty and the protocol, the United States Section shall exercise or continue to exercise jurisdiction, and shall perform functions and construction, where new construction may be involved, and operation and maintenance, within the principles stated herein, as to facilities and works as follows:

(a) *Rio Grande*

(1) In so far as the functions of the United States Section may be involved, the engineering planning, designing, construction, and operation and maintenance of the international dams and other works provided for in the treaty: *Provided,* however, that the United States Section shall consult with the Bureau relative to locations, plans and designs for construction, and principles of operation of the principal international storage dams, and shall consult with the National Park Service relative to

the location of any such dam which would involve construction in or the impounding of water on lands in the area of the Big Bend National Park.

(2) Power plants at the international storage dams: *Provided,* however, that the United States Section shall consult with the Bureau with respect to plans and designs for the construction of such plants, and principles of operation; and *Provided,* further, that the disposition in the United States of hydroelectric power which, pursuant to the provisions of Article 7 of the treaty, is generated at the international storage dams on the Rio Grande and is made available to the United States, shall be made in accordance with such provisions therefor as the Congress of the United States shall have provided or will provide; and the Department of State will consult with the Department of the Interior in the performance of its functions regarding future agreements, regulations and other matters provided for in Article 19 of the treaty; and *Provided,* further, that the Secretary of State will cooperate with the Secretary of the Interior in connection with such legislation as hereafter may be proposed in the Congress whereby the Secretary of the Interior may be authorized to dispose of such power as may so become available to the United States for disposal therein.

(b) *Colorado River*

(1) Functions with respect to approval of the location, design, and construction and principles of operation of the main diversion structure provided for in Article 12 (a) of the treaty if it shall be built in the limitrophe section of the river: *Provided,* however, that the United States Section shall consult with the Bureau as to the location, design, and principles of operation of such structure.

(2) Works constructed or acquired pursuant to Article 12 (c) of the treaty and used exclusively for delivery of water to Mexico: *Provided,* that the United States Section will consult with the Bureau in the development of plans and in the operation and maintenance of such works, and: *Provided,* further, that no agreement pursuant to Articles 11 (b) or 15–B of the Treaty which will involve the use for the purposes set out therein of any works under the jurisdiction of the Secretary of the Interior shall be made without prior arrangements having been made with him.

(3) The part of the flood control works between Imperial Dam and the Gulf of California provided for in Article 13 of the treaty, which may be assigned to the United States, except the part lying above Laguna Dam, and except as provided in subdivision (b)5 of Article 4 hereof; *Provided,* that the United States Section will consult with the Bureau with respect to the design and construction of the part of such works which may be built in the United States.

(4) Approval of the plans for the temporary diversion structure referred to in Article 27 of the treaty, and approval of the construction and operation thereof, subject to concurrence therein by the Bureau.

(5) Subject to the provisions of subdivision (b) (4) of Article 4 hereof, the design, construction, and maintenance and operation of the protective works within the United States contemplated by the provisions of Article 12 (a) of the treaty as a result of the construction of the Mexican diversion structure in the Colorado River.

6. Where the use of any works under the jurisdiction or control of the Bureau is required for the discharge of any treaty functions, such work or works shall be operated and maintained, in cooperation with the United States Section, in such manner that all treaty functions may be coordinated and fulfilled. Where provision is made in this memorandum of understanding for consultation regarding the planning, design, construction or operation of works,

or the discharge of other treaty functions, or functions under domestic law, it is understood that the Bureau and the United States Section will mutually cooperate in furnishing such advice and assistance, consistent with their normal operations and to the extent permissible by law, in furnishing such services as may be requested by one of the other.

7. In order to insure compliance with the provisions of the treaty and domestic law, to the fullest extent practicable, wherever action is proposed to be taken by one of the cooperating agencies in the exercise of its jurisdiction or function pertaining to subject matter the responsibility or function of the other which may be affected thereby, an opportunity for consultation will be afforded by the acting agency a reasonable time in advance of the taking of such action.

8. The status of the jurisdiction and functions of the United States Section and the Bureau, respectively, shall continue, as to the Rio Grande above Fort Quitman and works thereon, as such status may exist independently of and unaffected by this memorandum.

9. This memorandum of understanding shall not become effective until it has been approved by the President of the United States and until the treaty as supplemented by the protocol becomes effective by an exchange of ratifications.

IN WITNESS WHEREOF; the Secretary of State and the Secretary of the Interior have hereunto subscribed their official signature the day and year first above written.

(Signed) JOSEPH C. GREW,
Acting Secretary of State.
(Signed) HAROLD L. ICKES,
Secretary of the Interior.

Approved: June 18, 1945.
(Signed) HARRY S. TRUMAN,
President of the United States.

LIST OF BULLETINS

The following list shows title and prices of the final reports on the Boulder Canyon project which have been published and are now available for distribution. The list also shows revised titles of those reports which are now planned for publication, it having been found necessary to omit certain of the reports heretofore included in the tentative list of those to be printed, and to revise the titles of certain others.

PART I—INTRODUCTORY

General History and Description of Project[1]	(paper, $5.00; cloth, $1.00)
Hoover Dam Power and Water Contracts[1]	(cloth, $3.75)

PART II—HYDROLOGY

(Not to be published)

PART III—PREPARATORY EXAMINATIONS

Geologic Investigations

PART IV—DESIGN AND CONSTRUCTION

General Features[1]	(paper, $1.50; cloth, $2.00)
Boulder Dam[1]	(paper, $1.50; cloth, $2.00)
Diversion, Outlet, and Spillway Structures[1]	(paper, $2.50; cloth, $3.00)
Concrete Manufacture, Handling, and Control[1]	(paper, $2.50; cloth, $3.00)
Penstocks and Outlet Pipes[1]	(paper, $1.50; cloth, $2.00)
Imperial Dam and Desilting Works[1]	(paper, $1.00; cloth, $1.60)

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