

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION  
Central Valley Project, California

AGREEMENT TO TRANSFER THE OPERATION, MAINTENANCE AND REPLACEMENT  
AND CERTAIN FINANCIAL AND ADMINISTRATIVE ACTIVITIES RELATED TO THE  
CORNING AND TEHAMA-COLUSA CANALS, RED BLUFF AND CORNING PUMPING  
PLANTS AND ASSOCIATED WORKS

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4 PLANTS AND ASSOCIATED WORKS

5 THIS AGREEMENT, effective the \_\_\_\_ day of \_\_\_\_\_, 2021, (“Effective Date”) in  
6 pursuance generally of the Act of Congress of June 17, 1902 (32 Stat.388), and the acts  
7 amendatory thereof or supplementary thereto, including Section 5 of the Act of August 13, 1914  
8 (38 Stat. 687), all collectively hereinafter referred to as the Federal Reclamation laws, between  
9 the UNITED STATES OF AMERICA, , hereinafter referred to as the United States, and the  
10 TEHAMA-COLUSA CANAL AUTHORITY, hereinafter referred to as the Authority, a public  
11 agency of the State of California, duly organized, existing, and acting pursuant to the laws of the  
12 State of California. The United States and the Authority are referred to collectively as the  
13 “Parties,” and individually as a “Party.

14 WITNESSETH, That:

15 EXPLANATORY RECITALS

16 a. The United States Bureau of Reclamation has constructed the Sacramento River  
17 Division, Central Valley Project (Project), for storage, diversion, carriage, and distribution of  
18 water for agricultural, flood control, municipal, industrial, domestic and other beneficial uses and  
19 purposes; and

20 b. The Authority represents water users who contract with the United States for  
21 water service provided by the Sacramento River Division of the Project; and

22           c.       The United States operates the Sacramento River Division of the Project for the  
23 benefit, among others, of the water users represented by the Authority; and

24           d.       The Authority has for eight years operated and maintained certain Sacramento  
25 River Division facilities pursuant to that certain Cooperative Agreement No. 8-FC-20-05930  
26 Between the United States of America and the Tehama-Colusa Canal Authority Providing for  
27 Operation and Maintenance of the Tehama-Colusa and Corning Canals and Associated Project  
28 Works, dated October 13, 1988; and

29           e.       The Authority has for twenty five years operated and maintained certain  
30 Sacramento River Division facilities, and kept those facilities in good care, pursuant to that  
31 certain Agreement to Transfer Operation and Maintenance and Replacement and Certain  
32 Financial and Administrative Activities between the parties, dated September 27th, 1996, as  
33 modified on June 1, 2012; and

34           f.       The Authority requested initiation of the renewal process for the continued  
35 OM&R of the Project Works under Contract No. 6-07-20-X0343, by letter dated August 14,  
36 2019; and

37           g.       The Authority, hereinafter also referred to as the Operating Non-Federal Entity,  
38 has demonstrated its ability to operate and maintain such facilities to the satisfaction of the  
39 Contracting Officer and in a manner which best and most economically serves the water users  
40 relying on those facilities; and

41           h.       It is deemed to be in the best interests of the Parties and the Project's water users  
42 that the continued OM&R, as well as certain administrative and financial activities, of the Project  
43 Works continue to be transferred to the Authority as the Operating Non-Federal Entity by  
44 renewing the Transfer Agreement; and

45 i. The United States also believes it to be in the best interests of the Parties and the  
46 Project's water users to transfer to the Authority the administrative and financial responsibility to  
47 continue to perform and hereafter fund the Authority's OM&R of the Project Works while the  
48 United States retains the responsibility to fund Capital Improvement costs of the Project Works;  
49 and

50 j. The Authority is willing to continue to assume the OM&R of the Project Works  
51 as the Operating Non-Federal Entity and perform the enumerated administrative and financial  
52 activities in accordance with the terms and conditions herein set forth; and

53 k. The National Environmental Policy Act compliance requirement for execution of  
54 this Agreement has been met by the Categorical Exclusion dated July 27, 2021; and

55 In consideration of the mutual and dependent covenants herein contained, the  
56 Parties mutually agree as follows:

57 DEFINITIONS

58 1. When used in this Agreement, the term:

59 (a) "Capital Improvement" shall mean any activity that extends the useful life  
60 of a property, plant or equipment asset, expands the capacity or efficiency of an asset, or  
61 otherwise upgrades an asset to serve needs different from, or significantly greater than, an asset's  
62 current use, or as defined in the *Blue Book* entitled Federal Replacements, Units, Service Lives,  
63 Factors, as amended or in accordance with Federal law and accounting standards, or any other  
64 regulations, policies, guidelines, or instructions adopted thereunder.

65 (b) "Irrigation Water" shall mean the use Project Water or Other Water to  
66 irrigate land primarily for the production of commercial agricultural crops or livestock, and  
67 domestic and other uses that are incidental thereto.

68 (c) "Municipal and Industrial Water" or "M&I Water" shall mean the use of  
69 Project Water or Other Water for municipal, industrial, and miscellaneous purposes not falling

70 under the definition of “Irrigation Water” or within another category of water use under  
71 applicable Federal authority.

72 (d) “Operation, Maintenance, and Replacement” or “OM&R” shall mean the  
73 complete operation and maintenance of the Project Works, including performing, funding, and  
74 financing such repairs and replacements as are normally considered part of annual operation and  
75 maintenance functions and not considered Capital Improvement costs of the Project. OM&R  
76 shall include the performance, funding, and financing of emergency or unusual operation and  
77 maintenance or extraordinary operation and maintenance costs, unusual or extraordinary repair  
78 or replacement costs, and betterment costs, but only to the extent the costs thereof are not  
79 considered Capital Improvement costs of the Project. Notwithstanding the foregoing, OM&R  
80 shall also include Capital Improvements, as that term is defined in Article 1(a) which the  
81 Authority chooses to accomplish and finance pursuant to Article 5(b).

82 (e) “Other Water” shall mean water other than water conveyed or delivered  
83 pursuant to Water Delivery Contracts which the United States has a legal or contractual  
84 obligation to convey or deliver through the Project Works. Other Water includes, without  
85 limitation, water to be conveyed through the Project Works (1) pursuant to contracts under the  
86 Warren Act (43 USC 523, et seq.), Section 305 of the Act of March 5, 1992 (106 Stat. 59),  
87 Section 3408(c) of the Central Valley Project Improvement Act (106 Stat. 4706), and  
88 Section 215 of the Reclamation Reform Act of 1982 (96 Stat. 1263); (2) under other wheeling or  
89 conveyance agreements binding on the Secretary; (3) in accordance with agreements for  
90 conveyance of water to wildlife refuges and wildlife management areas; and (4) to satisfy other  
91 legally imposed obligations of the Secretary.

92 (f) “Party Entitled to Utilize or Receive Other Water” shall mean the party  
93 required to pay the Authority the amounts described in Article 12 in connection with the delivery

94 of Other Water. In the case of Other Water delivered to satisfy agreements for conveyance of  
95 water to wildlife refuges and wildlife management areas, as well as other legally imposed  
96 obligations of the Secretary, the Party Entitled to Utilize or Receive Other Water (and therefore  
97 required to pay the Authority the amounts described in Article 12 in connection with the delivery  
98 thereof) shall be the Contracting Officer.

99 (g) “Project” shall mean the Central Valley Project owned by the United  
100 States and managed by the Department of the Interior, Bureau of Reclamation.

101 (h) “Project Water” shall mean all water that is developed, diverted, stored, or  
102 delivered by the Secretary in accordance with the statutes authorizing the Project and in  
103 accordance with the terms and conditions of water rights acquired pursuant to California law.

104 (i) “Project Works” shall mean those facilities listed or described on the  
105 attached Exhibit A, which are incorporated herein by this reference, including but not limited to:  
106 the Corning and Red Bluff Pumping Plants, Corning and Tehama-Colusa Canals and related in-  
107 line control facilities; wasteways, laterals, holding reservoirs, turnouts and measuring devices,  
108 associated water level control devices and water level recording instruments; appurtenant  
109 equipment, structures and maintenance buildings; and such other facilities as the Parties may  
110 agree by modification of Exhibit A, without amending this Agreement.

111 (j) “Secretary” or “Contracting Officer” shall mean the Secretary of the  
112 United States Department of the Interior or his/her duly authorized representative.

113 (k) “Substantial Change” shall mean a modification in, or addition to, Project  
114 Works which involves changes in the original design intent, function, and/or operational  
115 parameters of the facility, or changes in benefits of the Project Works, including non-routine  
116 maintenance activities that involve construction or reconstruction of a portion of the facility.

117 (l) “Water Delivery Contract” shall mean (1) any contract entered into by the  
118 Secretary under the provisions of Sections 9(c), 9(d) or 9(e) of the Reclamation Project Act of  
119 1939 [43 USC 485h (c), (d) and (e)] or Section 3404 of the Central Valley Project Improvement  
120 Act (106 Stat. 4706) pursuant to which Project Water is to be supplied from or through the  
121 Project Works and (2) any exchange contract, water rights settlement contract or similar  
122 agreement pursuant to the terms of which water is to be supplied by the Secretary from or using  
123 the Project Works.

124 (m) “Water Delivery Contractor” shall mean a party holding a Water Delivery  
125 Contract with the United States.

126 (n) “Year” shall mean the period from and including the first day of March of  
127 each calendar year through and including the last day of February of the following calendar year.

128 TERM OF AGREEMENT

129 2. (a) This Agreement shall be effective as of the Effective Date and shall  
130 remain in effect for thirty-five (35) years thereafter; *Provided, That* this Agreement is not  
131 terminated at an earlier date pursuant to Article 2(b) below. Subject to modification acceptable  
132 to the Contracting Officer and the Authority, the Authority shall have the option to renew this  
133 Agreement for successive periods not to exceed thirty-five (35) years each by providing written  
134 notice of such to the Contracting Officer not more than one (1) year, but not less than six (6)  
135 months, prior to the end of the then-current term, unless by mutual agreement to renew sooner.

136 (b) The Contracting Officer may terminate this Agreement at any time before  
137 the expiration of its term whenever the Contracting Officer determines that the Authority is in  
138 substantial violation of the Agreement as provided in this Article 2(b); *Provided, That* prior to  
139 the effective date of any such termination, the Contracting Officer shall first notify the Authority  
140 in writing of, the specific purported deficiencies of the Authority in carrying out the terms and

141 conditions of this Agreement. It is the intent of the Parties that disputes be resolved pursuant to  
142 this Article 2(b) as expeditiously as is reasonably possible without the necessity of other relief at  
143 law or in equity. If after the designated representative of the Authority has met with the  
144 Contracting Officer or his or her designated representative and attempt in good faith and with the  
145 use of best efforts to resolve any dispute arising from the purported deficiency an agreement is  
146 not reached, the Contracting Officer may issue a notice of proposed termination, which includes  
147 the specific deficiencies of the Authority's performance under this Agreement. The Authority  
148 shall have at least ninety (90) days from receipt of the written notice of proposed termination to  
149 correct all deficiencies referred to in said written notice; *Provided, That* in the event of a  
150 condition which threatens the safety or integrity of the Project Works, the Contracting Officer  
151 may specify a shorter correction period which the Contracting Officer determines to be  
152 appropriate under the circumstances. In the event the Authority does not correct all deficiencies  
153 referred to in said written notice within the applicable period, the Contracting Officer may  
154 thereafter terminate this Agreement upon thirty (30) days prior written notice to the Authority.  
155 Any termination pursuant to this Article shall be subject to the rights and obligations of the  
156 Parties as more specifically set forth in this Agreement.

157 (c) The Authority may at any time, upon giving twelve (12) months written  
158 notice, terminate this Agreement; *Provided, That* such termination shall not relieve the Authority  
159 of any of its duties, liabilities or obligations accruing from the Effective Date of this Agreement  
160 to the effective date of such termination, except insofar as the Authority lacks funding to perform  
161 such obligations due to a failure by the United States to meet any of its obligations under this  
162 Agreement.

163 (d) Upon any termination of this Agreement, the United States will take over  
164 from the Authority the care, OM&R of the Project Works and the Authority shall transfer to the  
165 United States (1) title to all tools, vehicles, supplies, and equipment transferred under the original  
166 agreement 6-07-20-X0343 (to the extent still on hand) or purchased by the Authority for the  
167 purposes of this Agreement, and (2) any funds in its possession which were collected for, or  
168 allocated to, the OM&R of the Project Works for the then-current Year which are in excess of  
169 the obligations of the Authority for the OM&R of the Project Works. All other funds and  
170 reserves in the Authority's possession, including without limitation all other funds collected for,  
171 or allocated to, the OM&R of the Project Works and the reserve funds established under Article  
172 14 shall be retained or distributed by the Authority in accordance with the direction of the  
173 Authority's board of directors.

174 (e) An Agreement review must be performed at least every fifteen (15) years.  
175 A more frequent review will be established if determined to be appropriate by the Contracting  
176 Officer. The review and update will be limited to focus on this Agreement's standard articles  
177 and incorporation of any new statutory requirements applicable to this Agreement.

178 OPERATION AND MAINTENANCE OF PROJECT WORKS

179 3. (a) The Contracting Officer has transferred, and the Authority has accepted  
180 and assumed the care, OM&R of the Project Works. Title to the Project Works will remain in  
181 the name of the United States, unless otherwise provided by the Congress of the United States.

182 (b) The Authority, without expense to the United States, will care for, OM&R  
183 the Project Works in full compliance with the terms of this Agreement and in such a manner that  
184 the Project Works remain in good and efficient condition, subject to exercise of discretion to  
185 fund and carry out Capital Improvements, as described below in Article 5(b).

186 (c) Necessary repairs of the Project Works will be made promptly by the  
187 Authority. In case of unusual conditions or serious deficiencies in the OM&R of the Project  
188 Works threatening or causing interruption of water service, the Contracting Officer may issue to  
189 the Authority a special written notice of those necessary repairs. Except in the case of an  
190 emergency, the Authority will be given sixty (60) days to either make the necessary repairs or

191 submit a plan for accomplishing the repairs acceptable to the Contracting Officer. In the case of  
192 an emergency, or if the Authority fails to either make the necessary repairs or submit a plan for  
193 accomplishing the repairs acceptable to the Contracting Officer within sixty (60) days of receipt  
194 of the notice, the Contracting Officer may cause the repairs to be made, and the cost of those  
195 repairs will be paid by the Authority as directed by the Contracting Officer.

196 (d) The Authority will not make any Substantial Changes in the Project  
197 Works without first obtaining written consent of the Contracting Officer.

198 (e) The Authority agrees to indemnify the United States for, and hold the  
199 United States and all of its representatives harmless from, all damages resulting from suits,  
200 actions, or claims of any character, except for intentional torts committed by employees of the  
201 United States, brought on account of any injury to any person or property arising out of any act,  
202 omission, neglect, or misconduct in the manner or method of performing any construction, care,  
203 operation, maintenance, supervision, examination, inspection, or other duties of the Authority or  
204 the United States on Project Works required under this Agreement, regardless of who performs  
205 those duties;

206 *Provided, That* for the purposes of this Article 3(e), the term “intentional torts”  
207 includes acts or omissions under California law that constitute gross or willful misconduct, gross  
208 or willful negligence, and sole negligence; and, provided further, that the term “employees of the  
209 United States,” includes agents and independent contractors who are directly responsible to the  
210 United States.

211 (f) Omitted.

212 (g) In the event the Authority is found to be operating the Project Works or  
213 any part thereof in violation of this Agreement or the Authority is found to be failing any  
214 financial commitments or other commitments to the United States under the terms and conditions  
215 of this Agreement, then upon the election of the Contracting Officer, the United States may take  
216 over from the Authority the care, OM&R of the Project Works by giving written notice to the  
217 Authority of such election and the effective date thereof. Thereafter, during the period of  
218 operation by the United States, upon notification by the Contracting Officer the Authority will  
219 pay to the United States, annually in advance, the cost of the OM&R of the Project Works as  
220 determined by the Contracting Officer. Following written notification from the Contracting  
221 Officer the care, OM&R of the Project Works may be transferred back to the Authority.

222 (h) In addition to all other payments to be made by the Authority under this  
223 Agreement, the Authority will pay to the United States, following the receipt of a statement from  
224 the Contracting Officer, all reimbursable miscellaneous costs to be incurred by the United States  
225 for any work involved in the administration and supervision of this Agreement.

226 (i) Nothing in this Article will be deemed to waive the sovereign immunity of  
227 the United States.

228 TRANSFER INSPECTION

229 4. The Authority (including its predecessors) has been the Operating Non-Federal  
230 Entity for the Project Works since 1988. Joint inspections of the Project Works have been  
231 conducted by the United States and the Authority. The inspection reports shall be made  
232 available for the Authority's review upon request.

233 CAPITAL IMPROVEMENTS AND REPAIRS

234 5. (a) Nothing in this Agreement shall be construed to require the Authority to  
235 make or fund improvements, modifications, replacements or repairs of any nature to the Project  
236 Works, the costs of which should be or will be added to the Capital Improvement costs of the  
237 Project. The identification of Capital Improvements shall be made in accordance with Federal  
238 law or any regulations, policies, guidelines or instructions adopted thereunder. The Contracting  
239 Officer's determination of whether the costs of any improvements, modifications, replacements  
240 or repairs should be or will be added to the Capital Improvement costs of the Project shall be  
241 accepted by the Authority after the Contracting Officer has conferred in good faith with the  
242 Authority with respect thereto; *Provided, That* such determination shall be subject to review by a  
243 court having jurisdiction over the dispute. The Authority shall act in accordance with such  
244 determination unless and until it is reversed or modified. The Authority shall submit annual  
245 OM&R work forecasts at the start of each year. The OM&R work forecasts shall include all  
246 work to Project Works that is projected to be done in the following year and work to be done in  
247 the next three (3) years. Following the completion of a Review of Operation and Maintenance  
248 (RO&M) examination of the Project Works as set forth in Article 11 of this Agreement, if that  
249 RO&M examination identifies a potential Capital Improvement, and at such other times as the

250 Parties agree are necessary, the Authority and the Contracting Officer shall confer to identify any  
251 Capital Improvements planned or necessary for the Project Works for the next ten (10) years and  
252 agree upon the mechanism for accomplishing and financing the Capital Improvements.

253 (b) Notwithstanding the provisions of Article 5(a), in the event the Authority  
254 identifies Capital Improvements it deems necessary for the OM&R of the Project Works and the  
255 Contracting Officer is unable or unwilling to provide a mechanism for accomplishing and  
256 financing such Capital Improvements, the Authority may proceed with the accomplishment and  
257 financing of such Capital Improvements and deem the costs thereof to be OM&R costs  
258 hereunder, regardless of whether such costs are added to the Capital Improvement costs of the  
259 Project under Article 5(a). Such Capital Improvements may include, without limitation, the  
260 acquisition, repair or replacement of personal property (such as motor vehicles and heavy  
261 equipment) and the construction or improvement of structures utilized by the Authority in  
262 connection with the OM&R of the Project Works.

263 PERFORMANCE WORK STATEMENT, EMERGENCY ACTION PLANS AND  
264 NOTIFICATIONS

265 6. (a) The Authority shall maintain the Project Works in such a manner that the  
266 Project Works shall remain in good and efficient condition for the storage, diversion and carriage  
267 of water. The Authority shall perform the OM&R of the Project Works consistent with the  
268 guidelines provided by existing Designer's Operating Criteria, standard operation procedures  
269 (SOPs) and/or manufacturer's technical manuals for the Project Works, in accordance with such  
270 sound engineering practices as have been or may be developed for the Project Works, and in  
271 accordance with applicable Federal, State and local environmental laws. Deviations from or  
272 changes to these standards shall be approved by the Contracting Officer.

273 (b) The Authority shall prepare such Emergency Action Plans (EAPs) for the  
274 Project Works as are required by governmental agencies with jurisdiction over the Authority's  
275 operations. The Authority shall furnish copies of any such plans to the Contracting Officer.

276 (c) In addition to implementing Article 6(b), the Authority shall notify the  
277 Contracting Officer as soon as reasonably practicable after initial observation by the Authority of  
278 any event or situation which threatens (1) the safety or integrity of the Project Works, or (2) the  
279 well-being of humans or property located adjacent to the Project Works. Notwithstanding  
280 Article 26, such notification shall be made immediately telephonically and by electronic mail.

281 (d) The Authority shall submit monthly reports to the Contracting Officer  
282 outlining all work accomplished.

283 (e) The Authority shall annually review, and as necessary update, all SOPs  
284 and EAPs and provide such updates to the Contracting Officer.

285 (f) The performance work statement (PWS) will consist of the OM&R work  
286 forecast, current SOPs for all the major facilities, and EAPs as applicable.

287 ADMINISTRATION OF FEDERAL PROJECT LANDS

288 7. (a) (1) The lands and interests in lands acquired, withdrawn, or reserved  
289 and needed by the United States for the purposes of care, OM&R of the Project Works  
290 (collectively, "Project Work Lands") may be used by the Authority for such purposes without  
291 being charged any administrative fees therefor. The Authority shall ensure that no unauthorized  
292 encroachment occurs on Federal Project lands and rights-of-way. The Authority does not have  
293 the authority to issue any land-use agreement or grant that conveys an interest in Federal real  
294 property, nor to lease or dispose of any interest of the United States.

295 Where there are unauthorized encroachments on Project Works Lands, the Authority will work  
296 with the Contracting Officer to resolve the encroachments to the Contracting Officer's  
297 satisfaction. For the purposes of this Agreement "encroachment" means any unauthorized  
298 building, structure, or object of any kind or character placed, into, over, or under any Project  
299 Works Lands.

300                   (2)     The Contracting Officer shall not issue any rights-of-way across  
301 Project Works Lands or any leases, licenses, permits, or special-use agreements involving  
302 Project Works Lands until the Contracting Officer has determined that the grant is compatible  
303 with the Project purposes and with the OM&R of the Project Works. The Contracting Officer  
304 shall issue such rights-of-way across Project Works Lands or any leases, licenses, permits or  
305 special-use agreements involving Project Works Lands only after offering the Authority the  
306 opportunity to provide appropriate comment concerning the request. Requests for such grants  
307 that are received by the Authority shall be referred to the Contracting Officer along with  
308 appropriate comment concerning the request. A copy of all such grants issued by the  
309 Contracting Officer shall be provided to the Authority.

310                   (b)     The Authority shall regularly inspect the Project Works Lands to identify  
311 any trespass and determine the general condition of the real property itself. Cases of trespass  
312 shall be corrected, where possible, by the Authority. Trespass cases which the Authority feels  
313 may require undue time and/or expense to correct shall be referred without delay to the  
314 Contracting Officer for resolution.

315                   (c)     The Authority shall review land-use requests for compatibility within  
316 Project Works Lands. The Contracting Officer shall remain responsible for review and action  
317 upon all requests for use of the Project Works or Project Works Lands unless a delegation of  
318 authority to the Authority is otherwise provided for by the express written consent of the  
319 Contracting Officer.

320                   (d)     The United States retains responsibility for compliance with the National  
321 Historic Preservation Act of 1966, and the Native American Graves Protection and Repatriation  
322 Act of 1990. The Authority will notify the Contracting Officer and, only when on tribal land,  
323 also notify the appropriate tribal official, immediately upon the discovery of any potential  
324 historic properties or Native American human remains, funerary objects, sacred objects, or  
325 objects of cultural patrimony.

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OVERSIGHT AND PARTICIPATION

8. (a) The Contracting Officer shall, to the greatest extent possible, afford the Authority the opportunity to review and comment on preliminary and final development plans, environmental documents and other documents which affect the Project Works. The Authority's comments shall be provided to the Contracting Officer; and

(b) The Parties shall, to the greatest extent possible, afford each other the opportunity to participate with city, county, State and Federal governments, or governmental groups and private concerns in meetings, hearings and other activities affecting the Project Works. The Parties shall keep each other informed of these activities.

DELIVERY OF WATER BY THE AUTHORITY

9. (a) The Authority shall convey and distribute water in and from the Project Works in accordance with the directives of the Contracting Officer, including all operating guidelines approved by the Contracting Officer, so that the Contracting Officer can satisfy all valid water delivery obligations of the United States from the Project Works, including without limitation all water delivery obligations of the United States under Water Delivery Contracts and for the delivery of Other Water. The Authority shall deliver water to each Water Delivery Contractor or Party Entitled to Utilize or Receive Other Water entitled thereto from the Project Works through turnouts or such temporary diversion facilities as are specified in then-existing Water Delivery Contracts or other arrangements or agreements relating to Other Water specifying such turnouts and delivery points, or as may be agreed to by such Water Delivery Contractor(s) or Party Entitled to Utilize or Receive Other Water, the Authority, and the Contracting Officer.

(b) A complete list of all valid obligations of the United States to convey and distribute water in and from the Project Works is attached as Exhibit B and incorporated herein

350 by this reference. Exhibit B indicates whether each obligation is under a Water Delivery  
351 Contract or is for the delivery of Other Water. The Contracting Officer shall modify Exhibit B  
352 as such obligations change or as new obligations are added without amending this Agreement.

353 (c) Prior to the Contracting Officer entering into, renewing or amending any  
354 Water Delivery Contract or any other agreement which requires or permits the conveyance of  
355 water through any of the Project Works, the Contracting Officer shall consult with the Authority  
356 about the terms of such contract action, and shall provide the Authority the opportunity to review  
357 and comment thereon. Any such contract action shall be taken by the Contracting Officer only  
358 after the Contracting Officer has given due consideration to, and has taken all reasonable actions  
359 to mitigate the impacts of such contract action on (1) the quantity or quality of water available to  
360 Water Delivery Contractors, or Parties Entitled to Utilize or Receive Other Water, and (2) the  
361 ability of the Authority to perform its obligations under this Agreement. The Contracting Officer  
362 shall provide the Authority a copy of all contracts entered into with Water Delivery Contractors  
363 or Parties Entitled to Utilize or Receive Other Water utilizing the Project Works for delivery or  
364 conveyance.

#### 365 RESOLUTION OF DISPUTES

366 10. Should any dispute arise concerning delivery or conveyance of water by the  
367 Authority through the Project Works between the Authority, any Water Delivery Contractor(s)  
368 and/or any Party(ies) Entitled to Utilize or Receive Other Water from or through the Project  
369 Works, which the Authority concludes cannot be resolved through negotiations with the other  
370 party(ies) to the dispute, the Authority shall provide its final position with respect to such dispute  
371 to the other party(ies) thereto in writing and to the Contracting Officer requesting a  
372 determination of the dispute. Within sixty (60) days after such final position is provided, or such  
373 other reasonable date as may be agreed upon by the Authority and the Contracting Officer, the

374 Contracting Officer will issue a written determination regarding the dispute. The Contracting  
 375 Officer's determination shall be accepted by the Authority and other party(ies) thereto as final  
 376 and conclusive and the Authority and the other party(ies) shall promptly comply with said  
 377 decision and shall operate the Project Works in conformance with such decision until the same is  
 378 stayed, reversed or modified by a decision of a court of competent jurisdiction.

379 EXAMINATION, INSPECTION, AND AUDIT OF PROJECT WORKS, RECORDS, AND  
 380 REPORTS FOR DETERMINING ADEQUACY OF OM&R

381 11. (a) The Contracting Officer may examine the following: the Authority's  
 382 books, records, and reports with respect to OM&R obligations under this Agreement; the Project  
 383 Works being operated by the Authority; the adequacy of the OM&R program; the reserve fund;  
 384 and the water conservation program including the water conservation fund, if applicable.  
 385 Notwithstanding title ownership, where the United States retains a financial, physical, or liability  
 386 interest in facilities either constructed by the United States or with funds provided by the United  
 387 States, the Contracting Officer may examine any or all of the Project Works providing such  
 388 interest to the United States.

389 (b) The Contracting Officer may, or the Authority may ask the Contracting  
 390 Officer to, conduct special inspections of any Project Works being operated by the Authority and  
 391 special audits of the Authority's books and records to ascertain the extent of any OM&R  
 392 deficiencies to determine the remedial measures required for their correction and to assist the  
 393 Authority in solving specific problems. Except in an emergency, any special inspection or audit  
 394 shall be made only after written notice thereof has been delivered to the Authority by the  
 395 Contracting Officer.

396 (c) The Authority shall provide access to the Project Works, operate any  
 397 mechanical or electrical equipment, and be available to assist in the examination, inspection, or  
 398 audit.

399 (d) The Contracting Officer shall prepare reports based on the examinations,  
 400 inspections, and audits and furnish copies of such reports and any recommendations to the  
 401 Authority.

402 (e) The costs incurred by the United States in conducting OM&R  
 403 examinations, inspections, and audits and preparing associated reports and recommendations  
 404 related to high- and significant-hazard dams and associated facilities shall be nonreimbursable.  
 405 Associated facilities include carriage, distribution, and drainage systems; pumping and pumping  
 406 generating plants; power plant structures; tunnels/pipelines; diversion and storage dams (low-  
 407 hazard); Type 2 bridges which are Reclamation-owned bridges not located on a public road;  
 408 regulating reservoirs (low-hazard); fish passage and protective facilities, including hatcheries;  
 409 river channelization features; rural/municipal water systems; desalting and other water treatment

410 plants; maintenance buildings and service yards; facilities constructed under Federal loan  
411 programs (until paid out); and recreation facilities (reserved works only); and any other facilities  
412 as determined by the Contracting Officer.

413 (f) Expenses incurred by the Authority, as applicable, in participating in the  
414 OM&R site examination will be borne by the Authority.

415 (g) Requests by the Authority for consultations, design services, or  
416 modification reviews, and the completion of any OM&R activities identified in the formal  
417 recommendations resulting from the examinations (unless otherwise noted) are to be funded as  
418 project OM&R and are reimbursable by the Authority to the extent of current OM&R  
419 allocations.

420 (h) Site visit special inspections that are beyond the regularly scheduled  
421 OM&R examinations conducted to evaluate particular concerns or problems and provide  
422 assistance relative to any corrective action (either as a follow up to an OM&R examination or  
423 when requested by the Authority) shall be nonreimbursable.

424 (i) The Contracting Officer may provide the State of California an  
425 opportunity to observe and participate in, at its own expense, the examinations and inspections.  
426 The State of California may be provided copies of reports and any recommendations relating to  
427 such examinations and inspections.

428 COST RECOVERY FOR AUTHORITY OM&R ACTIVITIES; TERMINATION OF WATER  
429 DELIVERIES

430 12. As of the Effective Date, the Authority shall be responsible for directly funding  
431 the OM&R of the Project Works transferred hereby. Except as otherwise provided herein, the  
432 Parties acknowledge that the United States will no longer provide funding through the  
433 appropriations process for such OM&R. The United States hereby delegates to the Authority all  
434 required authority under statutes, contracts, regulations, and policies to collect for OM&R of the  
435 Project Works. Reclamation acknowledges and agrees that the provisions of its Water Delivery  
436 Contracts regarding the obligation to pay the Authority for the operation and maintenance of the  
437 Project Works performed by the Authority under this Agreement, but which do not have the  
438 same definition of OM&R as in this Agreement, were not intended to and do not limit the  
439 delegation of authority to charge and collect for the OM&R of the Project Works as provided in

440 this Article 12. The procedures and authorities to be utilized by the Authority for such direct  
441 funding are set forth in this Article 12.

442 (a) OM&R Budgets. Not later than ninety (90) days before the start of each  
443 year, the Authority shall submit to each Water Delivery Contractor, and all Parties Entitled to  
444 Utilize or Receive Other Water, the proposed budget for the next year for all activities of the  
445 Authority to be carried out under this Agreement. The budget so developed shall include  
446 amounts necessary to establish the reserve fund described in Article 14 hereof, and such other  
447 reserves as may be determined to be necessary by the Authority. The Authority shall afford each  
448 Water Delivery Contractor and all Parties Entitled to Utilize or Receive Other Water the  
449 opportunity to submit comments on such proposed budget by (30) days before commencement of  
450 the year. Any dispute(s) regarding the proposed budget shall be resolved in the manner  
451 described in Article 10 hereof. The Authority shall submit the final budget for each year to the  
452 Contracting Officer prior to the start of that year. The Authority shall use reasonable efforts to  
453 perform its responsibilities under this Agreement in accordance with the applicable final budget.

454 (b) Cost Recovery Methodology. The Authority shall develop a methodology  
455 to recover all costs incurred by the Authority in carrying out its responsibilities under this  
456 Agreement, including without limitation all costs described in the budgets prepared pursuant to  
457 Article 12(a) hereof.

458 (1) The Authority's cost recovery methodology shall (i) provide for the  
459 equitable allocation of the costs to be recovered among Water Delivery Contractors with an  
460 obligation to pay for water delivered or conveyed through the Project Works and all Parties  
461 Entitled to Utilize or Receive Other Water with an obligation to pay therefor, including without  
462 limitation the Contracting Officer; and (ii) clearly set forth the manner in which all such costs

463 shall be collected by the Authority, including deadlines for payments and/or deposits required of  
464 Water Delivery Contractors and all Parties Entitled to Utilize or Receive Other Water under the  
465 methodology.

466 (2) Such methodology shall recover costs in lieu of the conveyance  
467 OM&R cost component and the conveyance pumping OM&R cost component heretofore  
468 calculated by the United States pursuant to its ratesetting policies for the Project. In addition to  
469 OM&R costs for directly funding the OM&R of the Project Works, such methodology shall  
470 recover power costs for conveyance pumping incurred by the United States for the production or  
471 transmission of such power that are payable by the Water Delivery Contractors, Parties Entitled  
472 to Utilize or Receive Other Water, and contractors in the Sacramento River Division, in  
473 connection with the delivery or conveyance of water through the Project Works.

474 (3) The Authority's cost recovery methodology and any subsequent  
475 amendments thereto shall be approved by the Authority and provided to all parties with payment  
476 obligations under this Article 12 by December 1 of each year, or not less than thirty (30) days  
477 prior to the effective date of any amendment thereof. Any dispute(s) regarding the Authority's  
478 cost recovery methodology shall be resolved in the manner described in Article 10 hereof. The  
479 Contracting Officer has approved the Authority's initial cost recovery methodology. All  
480 proposed amendments shall be submitted to the Contracting Officer for review and comment  
481 concurrent with the dissemination to all parties with payment obligations noted above.

482 (c) Deficiencies in Cost Recovery. The Authority is not obligated to provide  
483 funding from non-Federal sources for the cost of delivering water to Water Delivery Contractors  
484 or Parties Entitled to Utilize or Receive Other Water who do not pay the Authority in full for the  
485 OM&R of the Project Works.

486                   (1)     In the event any Water Delivery Contract or obligation to deliver  
487 Other Water provides for or results in the payment of less than all of the costs to be recovered by  
488 the Authority in accordance with Article 12(b) hereof (a “deficiency”), whether resulting from  
489 the inadequacy of contract provisions between the Water Delivery Contractor or Party Entitled to  
490 Utilize or Receive Other Water and the United States to cover the Authority's OM&R costs,  
491 delinquency in payment of amounts due as described in Article 12(d), or otherwise, the United  
492 States shall pay to the Authority the amount of any such deficiency.

493                   (2)     Except as otherwise provided under this Article 12(c), payment  
494 for such deficiencies shall be made through a separate service contract or such other appropriate  
495 legal instrument as may be entered into by the Parties from time to time, by the terms of which  
496 the United States agrees to pay or provide funding to the Authority for water delivery services  
497 provided under this Agreement to the United States on behalf of the parties incurring the  
498 deficiencies. The solicitation and award of any service contract shall be made pursuant to the  
499 applicable Federal acquisitions laws, regulations, and policies governing such contracts,  
500 including the Federal Acquisition Regulations (FAR), and the Department of the Interior and  
501 Bureau of Reclamation Acquisition Regulations. Payments made by the United States to the  
502 Authority for such deficiencies shall become the financial obligation of the deficient Water  
503 Delivery Contractor or Party Entitled to Utilize or Receive Other Water to the Contracting  
504 Officer.

505                   (3)     If payments for deficiencies as provided in this Article 12(c) are  
506 not timely made by the United States in accordance with said service contract or other  
507 appropriate legal instrument, the Authority may exercise its rights under Article 12(d).

508                   (d)       Termination of Water Deliveries. Subject to subparagraphs (1) - (3) of  
509 this Article 12(d), in the event any amount due to or to be collected by the Authority from a  
510 Water Delivery Contractor or Party Entitled to Utilize or Receive Other Water pursuant to  
511 Article 12 is not paid when due (a “delinquency”), the Authority is authorized by the United  
512 States to discontinue delivery and conveyance of water to or for such Water Delivery Contractor  
513 or Party Entitled to Utilize or Receive Other Water until such time as the delinquency is cured.

514                   (1)       The Authority shall give the Contracting Officer and the  
515 delinquent party written notice of the delinquency and of the date deliveries will be terminated if  
516 the delinquency is not cured. The Contracting Officer and the Authority shall agree in writing on  
517 the appropriate timing and length of such notice period.

518                   (2)       In the event, and only in the event, the Contracting Officer directs  
519 the Authority in writing to deliver or convey water to or for a delinquent party, the United States  
520 shall be liable to the Authority for the costs to be recovered from such party under Article 12(c)  
521 of this Agreement, and the Authority shall have no obligation to collect any amounts associated  
522 with such water from the delinquent parties.

523                   (e)       Interest. In the event any amounts due to the Authority from the United  
524 States under this Agreement are not paid when due, in addition to exercising the rights afforded  
525 the Authority under Article 12(c) and Article 12(d), the Authority will receive interest on the  
526 delinquent amounts pursuant to the Prompt Payment Act, as amended (31 USC 3901, et seq.);  
527 *Provided, That* the Authority shall have previously submitted appropriate invoices to the United  
528 States in accordance with 48 CFR Section 32.907-1.

529                   (f)       Recovery of Certain Costs. The Parties acknowledge that the OM&R of  
530 certain Project facilities benefiting parties in the Sacramento River Division will be performed

531 by the Tehama-Colusa Canal Authority pursuant to that certain Agreement to Transfer Operation  
532 and Maintenance and Replacement and Certain Financial and Administrative Activities Related  
533 to the Corning and Tehama-Colusa Canals, Red Bluff and Corning Pumping Plants, and  
534 Associated Works.

535 (g) Direct Charges Replace U.S. Rate Components. After the effective date  
536 of this Agreement , the United States shall not charge water rate components for conveyance  
537 OM&R, conveyance pumping OM&R, to a Water Delivery Contractor or Party Entitled to  
538 Utilize or Receive Other Water, except to the extent (i) financial obligations otherwise properly  
539 included in such components have been incurred by the United States and have not been  
540 included as an expense therein under the ratesetting policies for the Project; or (ii) the United  
541 States has paid or provided funding to the Authority for delivering water to a Water Delivery  
542 Contractor or Party Entitled to Utilize or Receive Other Water to cover a deficiency in payment.

543 (1) To the extent the Authority's cost recovery methodology includes  
544 recovery of power costs for conveyance pumping that are incurred by the United States for the  
545 production or transmission of such power, the Authority shall remit such funds to the  
546 Contracting Officer within thirty (30) days after receipt of the Contracting Officer's billing  
547 therefor.

548 (2) All costs recovered pursuant to the Authority's cost allocation  
549 methodology and not required to be remitted to the Contracting Officer pursuant to this Article  
550 12(g) shall be immediately available for funding the costs of the Authority pursuant to this  
551 Article 12.

552 (h) Deposits of Amounts Collected. Amounts collected by the Authority  
553 pursuant to this Article 12 shall be placed on deposit or otherwise invested in accordance with

554 the Authority's investment policy and in conformance with State law to be expended solely for  
555 purposes of this Agreement. All interest accruing on said account shall be property of the  
556 Authority, and not of the United States, and shall be applied against OM&R costs.

557 (i) The Contracting Officer agrees that material changes in Project operations  
558 affecting the quantity of water to be delivered or in Project finances may affect the ability of the  
559 Authority to carry out its obligations under this Agreement. Under such circumstances, the  
560 Parties will meet and confer as to emergency measures available to reduce the economic  
561 hardship to the Authority, the Water Delivery Contractors, and/or Parties Entitled to Utilize or  
562 Receive Other Water.

563 WATER ACCOUNTING

564 13. (a) The Contracting Officer's water accounting system shall be the data  
565 utilized in maintaining water delivery records and in allocating costs for all Water Delivery  
566 Contractors and all Parties Entitled to Utilize or Receive Other Water. The water accounting  
567 system shall fully and accurately document the allocation and deliveries of water through the  
568 Project Works and account for financial transactions affecting the Water Delivery Contractors,  
569 the Sacramento River Division Contractors required to make payments via the Authority and all  
570 Parties Entitled to Utilize or Receive Other Water with an obligation to pay therefor.

571 (b) The Contracting Officer shall direct the Water Delivery Contractors and  
572 other Parties Entitled to Utilize or Receive Other Water to provide the Authority and the  
573 Contracting Officer with water delivery and payment information for all water delivered to said  
574 Water Delivery Contractors and Parties Entitled to Utilize or Receive Other Water pursuant to  
575 this Agreement. All water accounting records created or maintained by the Authority under this  
576 Agreement shall be subject to Article 15 and shall be accessible by the Contracting Officer.

577 (c) In order to further their mutual goals and objectives, the Contracting  
578 Officer and the Authority shall communicate, coordinate, and cooperate with each other, in order  
579 to improve the OM&R of the Project, including the financing thereof. The communication,  
580 coordination, and cooperation shall include, but not be limited to, any action which will or may  
581 materially affect the quantity or quality of Project Water supply, the allocation of Project Water  
582 supply, and Project financial matters, including but not limited to, budget and water accounting  
583 issues. The communication, coordination, and cooperation provided for hereunder shall extend  
584 to all provisions of this Agreement. Each party shall retain exclusive decision making authority  
585 for all actions, opinions, and determinations to be made by the respective party.

586 (d) The Contracting Officer acknowledges that some or all of the Water  
587 Delivery Contractors and Parties Entitled to Utilize or Receive Other Water may appoint the  
588 Authority as agent for such parties or may otherwise designate, in writing, the Authority to act as  
589 an intermediary with the Contracting Officer concerning the water accounting or financial  
590 information. Upon notice, in writing, of such relationship, the Contracting Officer agrees to  
591 recognize the Authority in such capacity.

592 EMERGENCY RESERVE FUND

593 14. (a) Upon transfer of the OM&R of the Project Works under this Agreement,  
594 the Authority shall accumulate and maintain a minimum reserve fund or demonstrate to the  
595 satisfaction of the Contracting Officer that other funds are available for use as an emergency  
596 reserve fund. The Authority shall establish and maintain that emergency reserve fund to meet  
597 costs incurred during periods of special stress caused by damaging droughts, storms,  
598 earthquakes, floods, or other emergencies threatening or causing interruption of water service.  
599 A minimum reserve fund account balance will be maintained to finance (1) OM&R costs; (2)  
600 costs associated with addressing conditions which threaten or cause interruption of water service;  
601 and (3) costs associated with addressing conditions which threaten the safety or integrity of the  
602 Project Works.

603 (b) The Authority shall accumulate the reserve fund with annual deposits or  
604 investments over a maximum of ten (10) years and is to be held in a Federally insured, interest-  
605 or dividend-bearing account or in securities guaranteed by the Federal Government, in the  
606 California Local Agency Investment Fund, or, if approved by the Contracting Officer, in any  
607 fiduciary account in a manner provided by the laws of the State of California: *Provided, That*  
608 money in the reserve fund, including accrued interest, shall be available within a reasonable time  
609 to meet expenses for such purposes as those identified in paragraph (d) herein. Such annual  
610 deposits and the accumulation of interest to the reserve fund shall continue until the basic  
611 amount of fifteen percent (15%) of the average annual actual OM&R costs incurred by the  
612 Authority for the Project Works during the three most recent years is accumulated (excluding  
613 any OM&R costs pertaining to Capital Improvements). Following an emergency expenditure  
614 from the fund, the annual deposits shall continue from the year following the emergency  
615 expenditure until the previous balance is restored. After the initial amount is accumulated or  
616 after the previous balance is restored, the annual deposits may be discontinued, and the interest  
617 earnings shall continue to accumulate and be retained as part of the reserve fund.

618 (c) Upon mutual written agreement between the Authority and the  
619 Contracting Officer, the basic reserve fund or the accumulated reserve fund may be adjusted to  
620 account for risk and uncertainty stemming from the size and complexity of the Project; the size  
621 of the annual OM&R budget; additions to deletions from, or changes in Project Works; and  
622 OM&R costs not contemplated when this Agreement was executed.

623 (d) The Authority may make expenditures from the reserve fund only for  
624 OM&R costs incurred during periods of special stress, as described in paragraph (a) herein; or  
625 for meeting unforeseen extraordinary operation and maintenance costs; or for meeting unusual or  
626 extraordinary repair or replacement costs; or for meeting betterment costs (in situations where  
627 recurrence of severe problems can be eliminated) during periods of special stress. Proposed  
628 expenditures from the fund shall be submitted to the Contracting Officer in writing for review  
629 and written approval prior to disbursement. Whenever the reserve fund is reduced below the  
630 current balance by expenditures therefrom, the Authority shall restore that balance within five (5)  
631 years of withdrawal by the accumulation of annual deposits which will be over and above the  
632 normal annual contribution to the reserve fund.

633 (e) In accordance with Article 3.(g) of this Agreement, during any period in  
634 which any of the Project Works are operated and maintained by the United States, the Authority  
635 agrees the reserve fund shall be available for like use by the United States.

636 (f) On or before October 1, of each year, the Authority shall provide a current  
637 statement of the principal and accumulated interest of the reserve fund account to the Contracting  
638 Officer.

### 639 BOOKS, RECORDS, AND REPORTS

640 15. (a) The Authority shall establish and maintain accounts and other books and  
641 records pertaining to administration of the terms and conditions of this Agreement, including the  
642 Authority's financial transactions; water supply data; OM&R logs; Project Works Lands and  
643 rights-of-way use agreements; and other matters that the Contracting Officer may require.

644 Reports shall be furnished to the Contracting Officer in such form and on such date or dates as  
645 the Contracting Officer may require. Subject to applicable Federal law and regulations, each  
646 Party to this Agreement shall have the right during officer hours to examine and make copies of  
647 the other Party's books and records relating to matters covered by this Agreement.

648 All records and books maintained pursuant to this Agreement shall be available to, and subject at  
649 all reasonable times to inspection, examination, copying or audit by authorized representatives of  
650 affected Water Delivery Contractors, Parties Entitled to Utilize or Receive Other Water, and the  
651 Contracting Officer. Each month the Authority shall collect and certify all delivery and  
652 measurement records and report any abnormal findings to the Contracting Officer.

653 (b) The Authority shall maintain and verify records of actual expenditures in  
654 accordance with an accounting system prescribed by the California State Controller in  
655 compliance with California Government Code section 53891. The Contracting Officer and the  
656 Authority shall preserve and make available their respective financial and accounting records and  
657 books relating to this Agreement until the later of either (1) the final disposition of any litigation  
658 or settlement of claims arising out of performance under this Agreement, or (2) the expiration of  
659 five (5) years after the activities giving rise to the creation of such records and books. By March  
660 31, following the completion of each Year, the Authority shall provide the Contracting Officer  
661 with a copy of its audited financial statements as of the end of the preceding Year.

662 (c) Until termination of this Agreement, the Authority shall retain the  
663 originals of all significant OM&R records pertinent to the Project Works and/or water  
664 operations, including modifications to Project Works; as-built drawings; maintenance and repair  
665 logs; equipment tests, equipment operations logs; emergency response plans; spill prevention  
666 control and countermeasure plans; written inquiries received by the Authority pursuant to the  
667 Federal Freedom of Information Act or analogous State law; Congressional or State Legislative

668 requests; or public or private claims or potential claims against the United States and/or the  
669 Authority relative to the Project Works.

670 (d) Upon request by the Authority, the Contracting Officer shall make  
671 available to the Authority those OM&R, financial and administration records relating to the  
672 Project Works in his possession and any revisions or modifications to those records.

673 NOTIFICATION OF THIRD PARTIES

674 16. (a) To the extent the Contracting Officer has not previously done so, the  
675 Contracting Officer shall instruct all Water Delivery Contractors and all Parties Entitled to  
676 Utilize or Receive Other Water that the Authority is the Operating Non-Federal Entity with  
677 respect to the Project Works. The Contracting Officer shall inform all parties to be so notified of  
678 the Authority's rights, authorities, and obligations under this Agreement and any other  
679 agreements relevant to the Authority's status as the Operating Non-Federal Entity and shall  
680 cooperate with the Authority in ensuring that all such parties timely and properly make all  
681 required payments to the Authority. Without limiting the foregoing, the Contracting Officer  
682 shall direct all such parties to simultaneously provide the Authority with copies of all water  
683 delivery schedules provided to the Contracting Officer. The Contracting Officer shall also  
684 inform all parties to be notified pursuant to this Article 16(a) that, after March 1, 1998, the  
685 United States has not and shall not charge the conveyance OM&R cost component, the  
686 conveyance pumping OM&R cost component heretofore calculated by the United States  
687 pursuant to its ratesetting policies for the Project to Water Delivery Contractors, or Parties  
688 Entitled to Utilize or Receive Other Water, except to the extent financial obligations otherwise  
689 properly included in such components have been incurred by the United States prior to March 1,  
690 1998, and have not been included as an expense therein under the ratesetting policies for the  
691 Project.

692 (b) All agreements providing for the delivery or conveyance of water through  
693 the Project Works entered into, renewed, or amended shall include provisions recognizing the  
694 Authority's status as the Operating Non-Federal Entity, and shall require that the non-Federal  
695 parties to such agreements timely and properly make all required payments to the Authority.  
696 Such new, renewed, or amended agreements shall also include provisions requiring the non-  
697 Federal parties to such agreements to simultaneously provide the Authority with copies of all  
698 water delivery schedules and water delivery and payment information provided to the  
699 Contracting Officer. The Contracting Officer shall also include in all such new, renewed, or  
700 amended agreements a provision confirming that the United States shall not charge the  
701 conveyance OM&R cost component, or the conveyance pumping OM&R cost component  
702 heretofore calculated by the United States pursuant to its ratesetting policies for the Project to  
703 Water Delivery Contractors, or Parties Entitled to Utilize or Receive Other Water, except to the  
704 extent financial obligations otherwise properly included in such components have been incurred  
705 by the United States prior to the Effective Date of this Agreement and have not been included as  
706 an expense therein under the ratesetting policies for the Project.

#### 707 OPINIONS AND DETERMINATIONS

708 17. (a) Where the terms of this Agreement provide for actions to be based upon  
709 the opinion or determination of either Party, said terms shall not be construed as permitting such  
710 action to be predicated upon arbitrary, capricious or unreasonable opinions or determinations.  
711 The Parties, notwithstanding any other provisions of this Agreement, expressly reserve the right  
712 to relief from and appropriate adjustment for any such arbitrary, capricious or unreasonable  
713 opinion or determination. Each opinion or determination by either Party shall be provided in a  
714 timely manner.

715 (b) The Contracting Officer shall have the right to make determinations necessary to  
 716 administer this Agreement that are consistent with the expressed and implied provisions of this  
 717 Agreement, the laws of the United States and the State of California, and rules and regulations  
 718 applicable to the Contracting Officer. Such determinations shall be made in consultation with the  
 719 Authority to the extent reasonably practicable

720 CHARGES FOR DELINQUENT PAYMENTS

721 18. (a) The Authority shall be subject to interest, administrative and penalty  
 722 charges on delinquent payments. If a payment is not received by the due date, the Authority  
 723 shall pay an interest charge on the delinquent payment for each day the payment is delinquent  
 724 beyond the due date. If a payment becomes sixty (60) days delinquent, the Authority shall pay,  
 725 in addition to the interest charge, an administrative charge to cover to cover additional costs of  
 726 billing and processing the delinquent payment. If a payment is delinquent ninety (90) days or  
 727 more, the Authority shall pay, in addition to the interest and administrative charges, a penalty  
 728 charge for each day the payment is delinquent beyond the due date, based on the remaining  
 729 balance of the payment due at the rate of six (6) percent per year. The Authority shall also pay  
 730 any fees incurred for debt collection services associated with a delinquent payment.

731 (b) The interest charge rate shall be the greater of the rate prescribed quarterly  
 732 in the Federal Register by the Department of the Treasury for application to overdue payments,  
 733 or the interest rate of 0.5 percent per month. The interest charge rate shall be determined as of  
 734 the due date and remain fixed for the duration of the delinquent period.

735 (c) When a partial payment on a delinquent account is received, the amount  
 736 received shall be applied first, to the penalty, secondly to the administrative charges, third to the  
 737 accrued interest, and finally to the overdue payment.

738 CONTAMINATION OR POLLUTION OF FEDERAL PROPERTY

739 19. (a) The Authority shall not allow contamination or pollution of Federal  
 740 Project lands, Project waters, or Project works of the United States or administered by the United  
 741 States and for which the Authority has the responsibility for care, operation, and maintenance by  
 742 its employees or agents under this Agreement. The Authority shall also take reasonable  
 743 precautions to prevent such contamination or pollution by third parties.

744 (b) The Authority shall comply with all applicable Federal, State, and local  
 745 laws and regulations and Reclamation policies and instructions existing, or hereafter enacted or  
 746 promulgated, concerning any hazardous material that will be used, produced, transported, stored,  
 747 released, or disposed of on or in Federal Project lands, Project waters, or Project works.

748 (c) "Hazardous material" means (1) any substance falling within the  
 749 definition of "hazardous substance," "pollutant or contaminant," or "hazardous waste" under the  
 750 Comprehensive Environmental Response, Compensation and Liability Act

751 (42 U.S.C. § 9601(14), (29), and (33)); (2) oil, as defined by the Clean Water Act  
752 (33 U.S.C. § 1321(a)) and the Oil Pollution Act (33 U.S.C. § 2701(23)); (3) thermal pollution,  
753 refuse, garbage, sewage effluent, industrial waste, mine or mill tailings, mineral salts, pesticides,  
754 and other solid waste, and (4) any other substance regulated as hazardous or toxic under Federal,  
755 State, local or Tribal law.

756 (d) Upon discovery of any event which may or does result in contamination or  
757 pollution of Federal Project lands, Project water, or Project Works, the Authority shall  
758 immediately undertake all measures necessary to protect public health and the environment,  
759 including measures necessary to contain or abate any such contamination or pollution, and shall  
760 report such discovery with full details of the actions taken to the Contracting Officer. Reporting  
761 shall be within a reasonable time period but shall not exceed twenty-four (24) hours from the  
762 time of discovery if it is an emergency and the first working day following discovery in the event  
763 of a non-emergency.

764 (e) If violation of the provisions of this Article occurs and the Authority does  
765 not take immediate corrective action, as determined by the Contracting Officer, the Authority  
766 may be subject to remedies imposed by the Contracting Officer, which may include termination  
767 of this Agreement in accordance with Article 2(b).

768 (f) The Authority shall be liable for any response action or corrective measure  
769 necessary to protect public health and the environment or to restore Federal Project lands, Project  
770 waters, or Project Works that are adversely affected as a result of such violation, and for all  
771 costs, penalties or other sanctions that are imposed for violation of any Federal, State, local or  
772 Tribal laws and regulations concerning hazardous material. At the discretion of the Contracting  
773 Officer, the United States may also terminate this Agreement in accordance with Article 2(b) as a  
774 result of such violation.

775 (g) The Authority shall defend, indemnify, protect and save the United States  
776 harmless from and against any costs, expenses, claims, damages, demands, or other liability  
777 arising from or relating to Authority's violation of this Article.

778 (h) Reclamation agrees to provide information necessary for the Authority,  
779 using reasonable diligence, to comply with the provisions of this Article.

780 ASSIGNMENT LIMITED: SUCCESSORS AND ASSIGNS OBLIGATED

781 20. The provisions of this Agreement shall apply to and bind the successors and  
782 assigns of the respective Parties, but no assignment or transfer of this Agreement or any right or  
783 interest therein by either Party shall be valid until approved in writing by the other Party.

784 CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

785 21. The expenditure or advance of any money or the performance of any obligation of  
786 the United States under this Agreement shall be contingent upon appropriation or allotment of  
787 funds. Absence of appropriation or allotment of funds shall not relieve the Authority from any  
788 obligations under this Agreement. No liability shall accrue to the United States in case funds are  
789 not appropriated or allotted.

790

OFFICIALS NOT TO BENEFIT

791           22.    No member of or delegate to Congress, Resident Commissioner or official of the  
792 Authority shall benefit from this Agreement other than as a water user or landowner in the same  
793 manner as other water users or landowners.

794

CLEAN AIR AND WATER

795           23.    (a)    The Authority agrees as follows:

796                           (1)    To comply with all the requirements of section 114 of the Clean  
797 Air Act, as amended (42 U.S.C. § 7414), and section 308 of the Clean Water Act  
798 (33 U.S.C. § 1318), relating to inspection, monitoring, entry, reports, and information, as well as  
799 other requirements specified in those sections, and all applicable regulations and guidelines  
800 issued thereunder.

801                           (2)    That no portion of the work required by this Agreement will be  
802 performed in a facility listed on the Environmental Protection Agency List of Violating Facilities  
803 on the Effective Date unless and until the Environmental Protection Agency eliminates the name  
804 of such facility or facilities from such listing.

805                           (3)    To use its best efforts to comply with clean air standards and clean  
806 water standards at the facility where the Agreement work is being performed.

807                           (4)    To insert the substance of the provisions of this Article into any  
808 nonexempt subcontract, including this subparagraph (a)(4).

809           (b)    The following definitions apply for purposes of this Article:

810                           (1)    The term “Clean Air Act” means the Act enacted by Pub. L. 88-  
811 206 of Dec. 17, 1963, and amendments thereto, as codified at 42 U.S.C. § 7401, et seq.

812                           (2)    The term “Clean Water Act” means the Act enacted by Pub. L. 92-  
813 500 of Oct. 18, 1972, and amendments thereto, as codified at 33 U.S.C. § 1251, et seq.

814                           (3)    The term “clean air standards” refers to all enforceable rules,  
815 regulations, guidelines, standards, limitations, orders, controls, prohibitions, and other  
816 requirements which are contained in, issued under, or otherwise adopted pursuant to the Clean  
817 Air Act or Executive Order 11738, an applicable implementation plan as described in  
818 section 110 of the Clean Air Act (42 U.S.C. § 7410), an approved implementation procedure or  
819 plan under subsection 111(c) or subsection 111(d) of the Clean Air Act (42 U.S.C. § 7411(c) or  
820 (d)), or an approved implementation procedure under subsection 112(d) of the Clean Air Act  
821 (42 U.S.C. § 7412(d)).

822                           (4)    The term “clean water standards” refers to all enforceable  
823 limitations, controls, conditions, prohibitions, standards, and other requirements which are  
824 promulgated pursuant to the Clean Water Act or contained in a permit issued to a discharger by  
825 the Environmental Protection Agency or by a state under an approved program, as authorized by

826 section 402 of the Clean Water Act (33 U.S.C. § 1342), or by local government to ensure  
827 compliance with pretreatment regulations as required by section 307 of the Clean Water Act  
828 (33 U.S.C. § 1317).

829 (5) The term “comply” refers to compliance with clean air or water  
830 standards. It also refers to compliance with a schedule or plan ordered or approved by a court of  
831 competent jurisdiction, the Environmental Protection Agency, or an air or water pollution control  
832 agency in accordance with the requirements of the Clean Air Act or Clean Water Act and  
833 regulations issued pursuant thereto.

834 (6) The term “facility” means any building, plant, installation,  
835 structure, mine, vessel or other floating craft, location, or site of operations owned, leased, or  
836 supervised by a contractor or subcontractor to be utilized in the performance of a contract or  
837 subcontract. Where a location or site of operations contains or includes more than one building,  
838 plant, installation, or structure, the entire location or site shall be deemed to be a facility except  
839 where the Director, Office of Federal Activities, Environmental Protection Agency, determines  
840 that independent facilities are collocated in one geographical area.

841 COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

842 24. (a) The Authority shall comply with Title VI of the Civil Rights Act of 1964  
843 (Pub. L. 88-352; 42 U.S.C. § 2000d), the Rehabilitation Act of 1975 (Pub. L. 93-112, Title V, as  
844 amended; 29 U.S.C. §791, et. Seq.), the Age Discrimination Act of 1975 (Pub. L. 94-135, Title  
845 III; 42 U.S.C. § 6101, et seq.), Title III of the Americans with Disabilities Act of 1990 (Pub. L.  
846 101-336; 42 U.S.C. § 12181, et seq.), and any other applicable civil rights laws, and with the  
847 applicable implementing regulations and any guidelines imposed by the U.S. Department of the  
848 Interior and/or Bureau of Reclamation.

849 (b) These statutes prohibit any person in the United States from being  
850 excluded from participation in, being denied the benefits of, or be otherwise subjected to  
851 discrimination under any program or activity receiving financial assistance from the Bureau of  
852 Reclamation on the grounds of race, color, national origin, disability, or age. By executing this  
853 Agreement, the Authority agrees to immediately take any measures necessary to implement this  
854 obligation, including permitting officials of the United States to inspect premises, programs and  
855 documents.

856 (c) The Authority makes this Agreement in consideration of and for the  
857 purpose of obtaining any and all Federal grants, loans, contracts, property discounts or other  
858 Federal financial assistance extended after the date hereof to the Authority by the Bureau of  
859 Reclamation, including installment payments after such date on account of arrangements for  
860 Federal financial assistance which were approved before such date. The Authority recognizes  
861 and agrees that such Federal assistance will be extended in reliance on the representations and  
862 agreements made in this Article, and that the United States reserves the right to seek judicial  
863 enforcement thereof.

864 (d) Complaints of discrimination against the Authority shall be investigated  
865 by the Contracting Officer’s Office of Civil Rights.

866

EQUAL OPPORTUNITY

867           25.     During the performance of this Agreement, the Authority agrees as follows:

868                   (a)     The Authority will not discriminate against any employee or applicant for  
869 employment because of race, color, religion, sex, sexual orientation, gender identity, or national  
870 origin. The Authority will take affirmative action to ensure that applicants are employed, and  
871 that employees are treated during employment, without regard to their race, color, religion, sex,  
872 sexual orientation, gender identity, or national origin. Such action shall include, but not be  
873 limited to, the following: employment, upgrading, demotion, or transfer; recruitment or  
874 recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and  
875 selection for training, including apprenticeship. The Authority agrees to post in conspicuous  
876 places, available to employees and applicants for employment, notices to be provided by the  
877 Contracting Officer setting forth the provisions of this nondiscrimination clause.

878                   (b)     The Authority will, in all solicitations or advertisements for employees  
879 placed by or on behalf of the Authority, state that all qualified applicants will receive  
880 consideration for employment without regard to race, color, religion, sex, sexual orientation,  
881 gender identity, or national origin.

882                   (c)     The Authority will not discharge or in any other manner discriminate  
883 against any employee or applicant for employment because such employee or applicant has  
884 inquired about, discussed, or disclosed the compensation of the employee or applicant or another  
885 employee or applicant. This provision shall not apply to instances in which an employee who  
886 has access to the compensation information of other employees or applicants as a part of such  
887 employee's essential job functions discloses the compensation of such other employees or  
888 applicants to individuals who do not otherwise have access to such information, unless such  
889 disclosure is in response to a formal complaint or charge, in furtherance of an investigation,  
890 proceeding, hearing, or action, including an investigation conducted by the employer, or is  
891 consistent with the Authority's legal duty to furnish information.

892                   (d)     The Authority will send to each labor union or representative of workers  
893 with which he has a collective bargaining agreement or other contract or understanding, a notice,  
894 to be provided by the agency Contracting Officer, advising the labor union or workers'  
895 representative of the Authority's commitments under Section 202 of Executive Order 11246 of  
896 September 24, 1965, and shall post copies of the notice in conspicuous places available to  
897 employees and applicants for employment.

898                   (e)     The Authority will comply with all provisions of Executive Order No.  
899 11246 of September 24, 1965, and of the rules regulations and relevant orders of the Secretary of  
900 Labor.

901                   (f)     The Authority will furnish all information and reports required by  
902 Executive Order No. 11246 of September 24, 1965, and by the rules, regulations and orders of  
903 the Secretary of Labor, or pursuant thereto, and will permit access to his books, records and  
904 accounts by the Contracting Agency and the Secretary of Labor for purposes of investigation to  
905 ascertain compliance with such rules, regulations and orders.

906 (g) In the event of the Authority's noncompliance with the nondiscrimination  
907 clauses of this Agreement or with any of the said rules, regulations or orders, this Agreement  
908 may be canceled, terminated or suspended, in whole or in part and the Authority may be declared  
909 ineligible for further Government contracts in accordance with procedures authorized in  
910 Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed  
911 and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule,  
912 regulation, or order of the Secretary of Labor, or as otherwise provided by law.

913 (h) The Authority will include the provisions of paragraphs (a) through (h) in  
914 every subcontract or purchase order unless exempted by the rules, regulations, or orders of the  
915 Secretary of Labor issued pursuant to Section 204 of said Executive Order No. 11246 of  
916 September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor.  
917 The Authority will take such action with respect to any subcontract or purchase order as may be  
918 directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions  
919 for noncompliance: *Provided, however*, that in the event the Authority becomes involved in, or is  
920 threatened with, litigation with a subcontractor or vendor as a result of such direction, the  
921 Authority may request the United States to enter into such litigation to protect the interests of the  
922 United States.

923 NOTICES

924 26. (a) Any notice, demand, or request authorized or required by this Agreement  
925 shall be deemed to have been given, on behalf of the Authority, when mailed, postage prepaid, or  
926 delivered to the Area Manager, Northern California Area Office, 16349 Shasta Dam Boulevard,  
927 Shasta Lake, California 96019, Bureau of Reclamation, and on behalf of the United States, when  
928 mailed, postage prepaid, or delivered to the General Manager of the Tehama-Colusa Canal  
929 Authority, P.O. Box 1025, Willows, CA 95988. The designation of the addressee or the address  
930 may be changed by notice given in the same manner as provided in this Article for other notices.

931 (b) This Article 26 shall not preclude the effective service of such notice by  
932 other means.

933 MODIFICATIONS

934 27. Each Party reserves the right to propose modifications to this Agreement at any  
935 time while it is in effect. If either Party proposes any such modifications, the Parties shall  
936 promptly attempt to negotiate in good faith an amendatory Agreement to accommodate the  
937 proposed modifications.

938 CHANGES IN AUTHORITY'S ORGANIZATION

939 28. While this Agreement is in effect, no change may be made in the Authority's  
940 organization, by inclusion or exclusion of lands or by any other changes, which may affect the

941 respective rights, obligations, privileges, and duties of either the United States or the Authority  
942 under this Agreement including, but not limited to, dissolution, consolidation, or merger, except  
943 upon the Contracting Officer's written consent.

944 PROTECTION OF WATER AND AIR QUALITY

945 29. (a) The Authority, without expense to the United States, will perform the  
946 OM&R of the Project Works in a manner that preserves the quality of the water at the highest  
947 feasible level as determined by the Contracting Officer.

948 (b) The United States will perform the OM&R of reserved works in a manner  
949 that preserves the quality of the water at the highest feasible level as determined by the  
950 Contracting Officer. The United States does not warrant the quality of the water delivered to the  
951 Water Delivery Contractors and Parties Entitled to Utilize or Receive Other Water and is under  
952 no obligation to furnish or construct water treatment facilities to maintain or improve the quality  
953 of water delivered to the Water Delivery Contractors and Parties Entitled to Utilize or Receive  
954 Other Water.

955 (c) The Authority will comply with all applicable water and air pollution laws  
956 and regulations of the United States and the State of California; and will obtain all required  
957 permits or licenses from the appropriate Federal, State, or local authorities necessary for the  
958 delivery of water by the Authority; and will be responsible for compliance with all Federal,  
959 State, and local water quality standards applicable to surface and subsurface drainage and/or  
960 discharges generated through the use of Federal facilities or Project Water provided by the  
961 Authority within its Project Water service area.

962 (d) This Article will not affect or alter any legal obligations of the Secretary to  
963 provide drainage or other discharge services.

964 RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION

965 30. When acquiring land or an interest in land and relocating persons or personal  
966 property in connection with the construction, operation, and maintenance of Project Works, the  
967 Authority shall comply with the provisions of the Uniform Relocation Assistance and Real  
968 Property Acquisition Policies Act of 1970 (Pub. L. 91-646; 84 Stat. 1894; 42 U.S.C. § 4601, et  
969 seq.) and Department of Transportation regulations at 49 C.F.R. part 24.

970 PEST MANAGEMENT

971 31. (a) The Authority is responsible for complying with applicable Federal, State,  
972 and local laws, rules, and regulations related to pest management in performing its  
973 responsibilities under this Agreement.

974 (b) The Authority is responsible for effectively avoiding the introduction and  
975 spread of, and for otherwise controlling, undesirable plants and animals, as defined by the  
976 Contracting Officer, on or in Federal Project lands, Federal Project waters, and Federal Project  
977 works for which and to the extent that the Authority has operation and maintenance  
978 responsibility. The Authority is responsible for exercising the level of precaution necessary in

979 meeting this responsibility, including inspecting its vehicles, watercraft, and equipment for  
 980 reproductive and vegetative parts, foreign soil, mud or other debris that may cause the spread of  
 981 weeds, invasive species and other pests, and removing such materials before moving its vehicles,  
 982 watercraft, and equipment onto any Federal land, into any Federal Project facility waters, or out  
 983 of any area on Federal Project land where work is performed.

984 (c) Where decontamination of the Authority’s vehicles, watercraft, or  
 985 equipment is required prior to entering Federal Project land or waters, the decontamination shall  
 986 be performed by the Authority at the point of prior use, or at an approved offsite facility able to  
 987 process generated cleaning wastes, pursuant to applicable laws, rules, and regulations. Upon the  
 988 completion of work, the Authority will perform any required decontamination within the work  
 989 area before moving the vehicles, watercraft, and equipment from Federal Project lands and  
 990 waters.

991 (d) Programs for the control of undesirable plants and animals on Federal  
 992 Project lands, and in Federal Project waters and Federal Project works for which the Authority  
 993 has operation and maintenance responsibility will incorporate Integrated Pest Management  
 994 (IPM) concepts and practices. IPM refers to a systematic and environmentally compatible  
 995 program to maintain pest populations within economically and environmentally tolerable levels.  
 996 In implementing an IPM program, the Authority will adhere to applicable Federal and State laws  
 997 and regulations and Department of the Interior and Bureau of Reclamation policies, directives,  
 998 guidelines, and manuals, including but not limited to, the Department of the Interior Manual, Part  
 999 517 *Integrated Pest Management Policy* and Part 609 *Weed Control Program*, the Plant  
 1000 Protection Act of June 20, 2000 (Pub. L. 106-224), and Executive Order 13112 of February 3,  
 1001 1999.

1002 MEDIUM FOR TRANSMITTING PAYMENTS

1003 32. (a) All payments from the Authority to the United States under this  
 1004 Agreement shall be by the medium requested by the United States on or before the date payment  
 1005 is due. The required method of payment may include checks, wire transfers, or other types of  
 1006 payment specified by the United States.

1007 (b) Upon execution of the Agreement, the Authority shall furnish the  
 1008 Contracting Officer with the Authority’s taxpayer’s identification number (TIN). The purpose  
 1009 for requiring the Authority’s TIN is for collecting and reporting any delinquent amounts arising  
 1010 out of the Authority’s relationship with the United States.

1011 SUSTAINABLE OPERATION AND MAINTENANCE

1012 33. The Authority shall comply with Section Two (2) of Executive Order 13834  
 1013 “*Regarding Efficient Federal Operations*”. Implementation of this Executive Order as it applies  
 1014 to this Agreement is provided in Exhibit C to this Agreement.

1015 COOPERATION/MUTUAL AID

1016 34. (a) In situations which the Contracting Officer and the Authority determine to  
1017 be emergencies or other extraordinary circumstances affecting the Project, including without  
1018 limitation, the Project Works, either the Contracting Officer or the Authority may request the  
1019 other to furnish personnel, materials, tools, equipment, or other resources. The Party so  
1020 requested shall immediately cooperate with the other and render such assistance as the Party so  
1021 requested determines to be available. Unless otherwise agreed, the Party making the request,  
1022 within sixty (60) days of receipt of properly itemized bills from the other Party, shall reimburse  
1023 the Party rendering such assistance for all costs properly and reasonably incurred by it in such  
1024 performance. Such costs shall be determined on the basis of current charges or rates charged by  
1025 the Party rendering the assistance.

1026 (b) In instances in which the total costs of responding to emergencies or other  
1027 extraordinary circumstances, whether due to a single event or condition or to multiple events or  
1028 conditions, exceed or substantially deplete the Authority's minimum reserve fund established  
1029 pursuant to Article 14(b), the Contracting Officer agrees to cooperate with the Authority (1) to  
1030 promptly identify sources of funding, including but not limited to, sources available from or to  
1031 the United States; (2) to allocate responsibility for paying the costs of responding to such  
1032 emergencies or other extraordinary circumstances, including but not limited to by determining  
1033 Capital Improvements under Article 5(a); and (3) to develop a timetable for repayment of such  
1034 costs that are provided by the United States and are allocated to the Authority.

1035 AGREEMENT DRAFTING CONSIDERATIONS

1036 35. This Agreement has been negotiated and reviewed by the Parties hereto, each of  
1037 whom is sophisticated in the matters to which this Agreement pertains. Articles 1 through 36 of  
1038 this Agreement have been drafted, negotiated, and reviewed by the Parties, and no one Party  
1039 shall be considered to have drafted the stated Articles.

1040 IN WITNESS WHEREOF, the parties hereto have executed this contract as of the day and year  
1041 first above written.

1042 THE UNITED STATES OF AMERICA

1043 By: \_\_\_\_\_  
1044 Regional Director  
1045 Interior Region 10: California-Great Basin  
1046 Bureau of Reclamation  
1047

1048 Tehama-Colusa Canal Authority  
1049 (SEAL)

1050 By: \_\_\_\_\_  
1051 Chair, Board of Directors

1052 Attest:

1053 \_\_\_\_\_  
1054 Secretary