# DEPARTMENT OF THE INTERIOR
## BUREAU OF RECLAMATION
### Cachuma Project, California

## AMENDMENT TO CONTRACT FOR THE TRANSFER OF
### THE OPERATION AND MAINTENANCE OF THE
#### CACHUMA TRANSFERRED PROJECT WORKS

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Exhibit C - Address for the Contractor
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Cachuma Project, California

AMENDMENT TO CONTRACT FOR THE TRANSFER OF
THE OPERATION AND MAINTENANCE OF THE
CACHUMA TRANSFERRED PROJECT WORKS

THIS CONTRACT AMENDMENT, is made this ___ day of ____________, 2020 in
pursuance generally of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory and
supplementary thereto, including Section 5 and 7 of the Act of August 13, 1914 (38 Stat. 687),
and subsection G of the Second Deficiency Appropriation Act for 1924, Fact Finders’ Act of
December 5, 1924, (43 Stat. 672), all collectively hereinafter referred to as the “Federal
Reclamation Laws,” between the UNITED STATES OF AMERICA, hereinafter referred to as
the “United States,” acting through the Regional Director, California Great-Basin Region,
Bureau of Reclamation, hereinafter referred to as the “Contracting Officer,” and the CACHUMA
OPERATION AND MAINTENANCE BOARD, hereinafter referred to as the “Contractor” or
“COMB,” a California Joint Powers Authority, duly organized, existing, and acting pursuant to
the laws of the State of California;

WITNESSETH, That;

EXPLANATORY RECITALS

[1st] WHEREAS, the United States has constructed and is operating the Cachuma
Project, for diversion, storage, carriage, and distribution of waters of the Santa Ynez River and
its tributaries for irrigation, municipal, domestic, industrial, and other beneficial uses, hereinafter
referred to as the “Cachuma Project” or “Project;” and
WHEREAS, on September 12, 1949, the United States executed Contract No. 18-175r-1802, hereinafter referred to as the "Master Contract," with the Santa Barbara County Water Agency ("Agency"), which required the United States to furnish Cachuma Project water, in stated quantities not to exceed 32,000 acre-feet per year in the aggregate plus surplus water, to Carpinteria Valley Water District, the City of Santa Barbara, Goleta Water District, Montecito Water District (Summerland Water District incorporated into Montecito Water District), and, Santa Ynez River Water Conservation District Improvement District No. 1 (collectively, referred to as the "Original Member Units"), with which the Agency entered into Member Unit Contracts; and

WHEREAS, on April 14, 1996, the United States and the Agency, for the benefit of the Member Units, executed Contract No. 175r-1802R hereinafter referred to as the "Renewal Master Contract," which provided for the continued water service to the Member Units following expiration of the Master Contract, No. 175r-1802, with the Agency executing Member Unit renewal contracts with each Member Unit; and

WHEREAS, the United States has determined that the Agency and Member Units to date have fulfilled all of their obligations under the Renewal Master Contract; and the United States is willing to extend the Renewal Master Contract, namely, No. 175r-1802R; and

WHEREAS, on February 24, 1956, the United States, the Original Member Units and the Agency entered into Contract No. 14-06-200-5222, hereinafter referred to as the "O&M Contract," which provides for the transfer of Operations and Maintenance of Transferred Project Works to the Original Member Units; and
[6th] WHEREAS, the O&M Contract has been amended by Amendatory Contracts dated November 5, 1971, October 3, 1978, April 28, 1988, May 12, 1995, September 24, 2001, January 1, 2002, July 1, 2002 and November 1, 2002; and

[7th] WHEREAS, on March 1, 2003, the United States and COMB entered into a renewal of the O&M Contract, No. 14-06-200-5222R, for the Transfer of the Operation and Maintenance of the Cachuma Transferred Project, which are identified and described in Exhibit “A” attached thereto (the “Transferred Project Works”), and hereinafter referred to as the “Existing Contract;” and

[8th] WHEREAS, as of May 2016, the Contractor, namely, the Cachuma Operation and Maintenance Board, is comprised of member agencies Carpinteria Valley Water District, City of Santa Barbara, Goleta Water District and Montecito Water District; and

[9th] WHEREAS, the United States has determined that the Contractor to date has fulfilled all of its obligations under the Existing Contract; and

[10th] WHEREAS, the Contractor, namely, the Cachuma Operation and Maintenance Board, has requested renewal of the Existing Contract pursuant to that Contract, the Federal Reclamation laws, and the laws of the State of California, for water service from the Cachuma Project; and

[11th] WHEREAS, the United States has completed all appropriate environmental review necessary to provide for execution of this Contract Amendment; and

[12th] WHEREAS, the United States is required to update standard articles in all new or amended contracts; and
WHEREAS, the United States is willing to extend, through this Contract Amendment, the Existing Contract, namely, No. 14-06-200-5222R, pursuant to the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the mutual and dependent covenant herein contained, it is hereby mutually agreed by the parties hereto as follows:

RENEWAL AND REVISION OF CONTRACT NO. 14-06-200-5222R

1. Except as specifically modified by this Contract Amendment, all provisions of the Existing Contract, No. 14-06-200-5222R, are renewed with the same force and effect as if they were included in full text with the exception of Article 2 of the Existing Contract thereof, which is revised as follows:

   (a) Article 2 in the Existing Contract, titled TERM OF CONTRACT, is amended and replaced in its entirety with the following language: “This Contract shall be effective as of October 1, 2020 (Effective Date) through September 30, 2023.”

ADDITION TO ARTICLE 1 DEFINITIONS

2. (a) Subdivision (f) in Article 1 of the Existing Contract is amended and replaced in its entirety with the following new subdivision (f).

   (f) “Operation, Maintenance and Replacement” or “OM&R” shall mean the complete normal and reasonable care, control, operation, repair, replacement, and maintenance, of the Transferred Project Works, including items of work for disaster relief and assistance as described in Title 44 Code of Federal Regulation (“CFR”), Subpart H, commencing with Section 206.220;

   (b) Article 1 in the Existing Contract, titled DEFINITIONS, is amended to add the following definitions in subdivisions (g) and (h):
“Project” shall mean the Cachuma Project owned by the United States and managed by the Department of the Interior, Bureau of Reclamation;

“Substantial Change” shall mean a modification in, or addition to, a Project facility which involves changes in the original design intent, function, and/or operational parameters of the facility, or changes in Project benefits, including non-routine maintenance activities that involve construction or reconstruction of a portion of the facility. These modifications may be capitalized or non-capitalized. A substantial change is not a characterization of the proposed action in terms of being a major or minor action as defined in the National Environmental Policy Act.

REPLACEMENT OF ARTICLE 3 WITH NEW LANGUAGE

3. Article 3 in the Existing Contract, titled OPERATION AND MAINTENANCE OF PROJECT WORKS – PAYMENT OF MISCELLANEOUS COSTS, is retitled OPERATION AND MAINTENANCE OF TRANSFERRED PROJECT WORKS, and is amended and replaced in its entirety by the following Article 3:

OPERATION AND MAINTENANCE OF TRANSFERRED PROJECT WORKS

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

(b) The Contractor, without expense to the United States, will care for, OM&R the Transferred Project Works in full compliance with the terms of this Contract and in such a manner that the Project Works remain in good and efficient condition.

(c) Necessary repairs of the Transferred Project Works will be made promptly by the Contractor. In case of unusual conditions or serious deficiencies in the OM&R of the Project Works threatening or causing interruption of water service, the Contracting Officer may issue to the Contractor a special written notice of those necessary repairs. Except in the case of an emergency, the Contractor will be given sixty (60) days to either make the necessary repairs or submit a plan for accomplishing the repairs acceptable to the Contracting Officer. In the case of an emergency, or if the Contractor fails to either make the necessary repairs or submit a plan for accomplishing the repairs acceptable to the Contracting Officer within sixty (60) days of receipt of the notice, the Contracting Officer may cause the repairs to be made, and the cost of those repairs will be paid by the Contractor as directed by the Contracting Officer.

(d) The Contractor will not make any Substantial Changes in the Transferred Project Works without first obtaining written consent of the Contracting Officer.
Amendatory Contract
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USBR Draft 07202020

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

(f) The Contractor will cooperate with the Contracting Officer in implementing an effective dam safety program. The United States agrees to provide the Contractor and the appropriate agency of the State or States in which the Transferred Project Works are located with design data, designs, and an operating plan for the dam(s) and related facilities consistent with the current memorandum of understanding between the United States and the State(s) of California relating to the coordination of planning, design, construction, operation, and maintenance processes for dams and related facilities.

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

If at any time the Contracting Officer determines that the Contractor has failed to comply with any provisions of this Contract or any applicable directives issued by the Contracting Officer, the Contracting Officer may, upon giving sixty (60) days advance written notice, provide the Contractor an opportunity to cure and to continue with the responsibility for OM&R of all or any part of the Transferred Project Works.

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

(i) Nothing in this Article will be deemed to waive the sovereign immunity of the United States.
DELETION OF SUBDIVISION (B) OF ARTICLE 4

4. Subdivision (b) of Article 4 in the Existing Contract is deleted in its entirety and subdivision (c) is redesignated as subdivision (b).

DELETION OF SUBDIVISION (A) OF ARTICLE 5

5. Subdivision (a) of Article 5 in the Existing Contract is deleted in its entirety and subdivision (b) is redesignated as subdivision (a).

REPLACEMENT OF SUBDIVISION (A) ARTICLE 6 WITH NEW LANGUAGE

6. Subdivision (a) Article 6 in the Existing Contract, titled ADMINISTRATION OF FEDERAL PROJECT LANDS, is amended and replaced by the following subdivisions (a) and (b) in their entirety, with existing subdivisions (b) through (d) being redesignated as subdivisions (c) through (e):

ADMINISTRATION OF FEDERAL PROJECT LANDS

6. (a) The lands and interests in lands acquired, withdrawn, or reserved and needed by the United States for the purposes of care, operation, and maintenance of the Transferred Project Works may be used by the Contractor for such purposes. The Contractor shall ensure that no unauthorized encroachment occurs on Federal Project lands and rights-of-way. The Contractor does not have the authority to issue any land-use agreement or grant that conveys an interest in Federal real property, nor to lease or dispose of any interest of the United States.

(b) The United States retains responsibility for compliance with the National Historic Preservation Act of 1966 (“NHPA”), and the Native American Graves Protection and Repatriation Act of 1990 (“NAGPRA”). The Contractor will notify the Contracting Officer and, only when on tribal land, also notify the appropriate tribal official, immediately upon the discovery of any potential historic properties or Native American human remains, funerary objects, sacred objects, or objects of cultural patrimony.

REPLACEMENT OF ARTICLE 9 WITH NEW LANGUAGE

7. Article 9 in the Existing Contract, titled EXAMINATION AND INSPECTION OF TRANSFERRED PROJECT WORKS FOR DETERMINING
ADEQUACY OF OPERATION AND MAINTENANCE, is amended and replaced in its entirety by the following Article 9:

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

9. (a) The Contracting Officer may examine the following: the Contractor’s books, records, and reports with respect to OM&R obligations under this Contract; the Transferred Project Works being operated by the Contractor; the adequacy of the OM&R program; the emergency reserve fund (Article 26); and the water conservation program including the water conservation fund, if applicable. Notwithstanding title ownership, where the United States retains a financial, physical, or liability interest in facilities either constructed by the United States or with funds provided by the United States, the Contracting Officer may examine any or all of the Transferred Project Works providing such interest to the United States.

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

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

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

(e) The costs incurred by the United States in conducting OM&R examinations, inspections, and audits and preparing associated reports and recommendations related to high- and significant-hazard dams and associated facilities shall be nonreimbursable. Associated facilities include carriage, distribution, and drainage systems; pumping and pumping generating plants; power plant structures; tunnels/pipelines; diversion and storage dams (low-hazard); Type 2 bridges which are Reclamation-owned bridges not located on a public road; regulating reservoirs (low-hazard); fish passage and protective facilities, including hatcheries; river channelization features; rural/municipal water systems; desalting and other water treatment plants; maintenance buildings and service yards; facilities constructed under Federal loan programs (until paid out); and recreation facilities (reserved works only); and any other facilities as determined by the Contracting Officer.

(f) Expenses incurred by the Contractor, as applicable, in participating in the OM&R site examination will be borne by the Contractor.
(g) Requests by the Contractor for consultations, design services, or modification reviews, and the completion of any OM&R activities identified in the formal recommendations resulting from the examinations (unless otherwise noted) are to be funded as Project OM&R and are reimbursable by the Contractor to the extent of current OM&R allocations.

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

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

ADDITION OF NEW SUBDIVISION (A) OF ARTICLE 10

8. Article 10 in the Existing Contract, titled RECORDS, is retitled BOOKS, RECORDS, AND REPORTS, and subdivision (a) is amended by the addition of the following new subdivision (a) and the existing subdivisions (a) and (b) are redesignated subdivisions (b) and (e), and the addition of subdivision (d):

BOOKS, RECORDS, AND REPORTS

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

(d) Nothing in this Article 10 shall be construed to limit or constrain the ability of the Bureau of Reclamation to conduct contract compliance reviews of this Contract in accordance with Reclamation Manual Directives and Standards PEC 05-08, last revised October 11, 2019, as may be further revised, amended, modified, or superseded.
REPLACEMENT OF ARTICLE 11 WITH NEW LANGUAGE

9. Article 11 in the Existing Contract, titled RULES AND REGULATIONS, is retitled RULES, REGULATIONS, AND DETERMINATIONS and is amended and replaced in its entirety by the following Article 11:

RULES, REGULATIONS, AND DETERMINATIONS

11. (a) The parties agree that the delivery of water or the use of Federal facilities pursuant to this Contract is subject to Federal Reclamation law, as amended and supplemented, and the rules and regulations promulgated by the Secretary of the Interior under Federal Reclamation law.

REPLACEMENT OF ARTICLE 13 WITH NEW LANGUAGE

10. Article 13 in the Existing Contract, titled CERTIFICATION OF NONSEGREGATED FACILITIES, is amended and replaced in its entirety by the following Article 13:

CERTIFICATION OF NONSEGREGATED FACILITIES

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

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR
CERTIFICATIONS OF NONSEGREGATED FACILITIES

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

REPLACEMENT OF ARTICLE 14 WITH NEW LANGUAGE

11. Article 14 in the Existing Contract, titled CHANGES IN CONTRACTOR’S
ORGANIZATION, is amended and replaced in its entirety by the following Article 14:

CHANGES IN THE CONTRACTOR’S ORGANIZATION

14. While this Contract is in effect, no change may be made in the Contractor’s
service area or organization, by inclusion or exclusion of lands or by any other changes which
may affect the respective rights, obligations, privileges, and duties of either the United States or
the Contractor under this Contract including, but not limited to, dissolution, consolidation, or
merger, except upon the Contracting Officer’s written consent.

REPLACEMENT OF ARTICLE 15 WITH NEW LANGUAGE

12. Article 15 in the Existing Contract, titled CLEAN AIR AND WATER, is
amended and replaced in its entirety by the following Article 15:

CLEAN AIR AND WATER

15. (a) The Contractor agrees as follows:

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

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

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

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

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


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

(4) The term “clean water standards” refers to all enforceable limitations, controls, conditions, prohibitions, standards, and other requirements which are promulgated pursuant to the Clean Water Act or contained in a permit issued to a discharger by the Environmental Protection Agency or by a state under an approved program, as authorized by section 402 of the Clean Water Act (33 U.S.C. § 1342), or by local government to ensure compliance with pretreatment regulations as required by section 307 of the Clean Water Act (33 U.S.C. § 1317).

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

(6) The term “facility” means any building, plant, installation, structure, mine, vessel or other floating craft, location, or site of operations owned, leased, or supervised by a contractor or subcontractor to be utilized in the performance of a contract or subcontract. Where a location or site of operations contains or includes more than one building, plant, installation, or structure, the entire location or site shall be deemed to be a facility except where the Director, Office of Federal Activities, Environmental Protection Agency, determines that independent facilities are collocated in one geographical area.
13. Article 16 in the Existing Contract, titled QUALITY OF WATER, is deleted in its entirety, and hereafter designated as “Omitted,” and Article 21, titled WATER AND AIR POLLUTION CONTROL, is retitled PROTECTION OF WATER AND AIR QUALITY, and is amended and replaced in its entirety by the following Article 21:

PROTECTION OF WATER AND AIR QUALITY

21. (a) The Contractor, without expense to the United States, will care for, operate and maintain Transferred Project Works in a manner that preserves the quality of the water at the highest feasible level as determined by the Contracting Officer.

(b) The United States will care for, operate and maintain reserved works in a manner that preserves the quality of the water at the highest feasible level as determined by the Contracting Officer. The United States does not warrant the quality of the water delivered to the Contractor and is under no obligation to furnish or construct water treatment facilities to maintain or improve the quality of water delivered to the Contractor.

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

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

14. Article 17 in the Existing Contract, titled CHARGES FOR DELINQUENT PAYMENTS, is amended and replaced in its entirety with the following new Article 17:

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

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

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

REPLACEMENT OF ARTICLE 18 WITH NEW LANGUAGE

15. Article 18 in the Existing Contract, titled ASSIGNMENT LIMITED –

SUCCESSORS AND ASSIGNS OBLIGATED, is amended and replaced in its entirety by

the following Article 18:

ASSIGNMENT LIMITED – SUCCESSORS AND ASSIGNS OBLIGATED

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

REPLACEMENT OF ARTICLE 22 WITH NEW LANGUAGE

16. Article 22 in the Existing Contract, titled COMPLIANCE WITH CIVIL

RIGHTS LAWS AND REGULATIONS, is amended and replaced in its entirety by the

following Article 22:

COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

22. (a) The Contractor shall comply with Title VI of the Civil Rights Act of 1964
L. 101-336; 42 U.S.C. § 12131, et seq.), and any other applicable civil rights laws, and with the
applicable implementing regulations and any guidelines imposed by the U.S. Department of the
Interior and/or Bureau of Reclamation.

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

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

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

REPLACEMENT OF ARTICLE 23 WITH NEW LANGUAGE

17. Article 23 in the Existing Contract, titled EQUAL OPPORTUNITY, is
retitled EQUAL EMPLOYMENT OPPORTUNITY, and is amended and replaced in its
entirety by the following Article 23:

EQUAL EMPLOYMENT OPPORTUNITY

23. During the performance of this Contract, the Contractor agrees as follows:

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

(b) The Contractor will, in all solicitations or advertisements for employees
placed by or on behalf of the Contractor, state that all qualified applicants will receive
consideration for employment without regard to race, color, religion, sex, sexual orientation,
gender identity, or national origin.
(c) The Contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as part of such employee’s essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the Contractor’s legal duty to furnish information.

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

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

(f) The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the Contracting Agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(g) In the event of the Contractor’s noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965 or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(h) The Contractor will include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.”
REPLACEMENT OF ARTICLE 24 WITH NEW LANGUAGE

18. Article 24 in the Existing Contract, titled NOTICES, is amended and replaced in its entirety by the following Article 24:

NOTICES

24. Any notice, demand, or request authorized or required by this Contract shall be deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or delivered to the Area Manager, South-Central California Area Office, 1243 “N” Street, Fresno, California 93721, and on behalf of the United States, when mailed, postage prepaid, or delivered to the Board of Directors as listed in the attached Exhibit “C”. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this article for other notices.

REPLACEMENT OF ARTICLE 26 WITH NEW LANGUAGE

19. Article 26 in the Existing Contract, titled CONTINGENCY RESERVE FUND, is retitled EMERGENCY RESERVE FUND, and is amended and replaced in its entirety by the following Article 26:

EMERGENCY RESERVE FUND

26. (a) Commencing on the Execution Date of this Contract Amendment, the Contractor shall accumulate and maintain a minimum reserve fund or demonstrate to the satisfaction of the Contracting Officer that other funds are available for use as an emergency reserve fund. The Contractor shall establish and maintain that emergency reserve fund to meet costs incurred during periods of special stress caused by damaging droughts, storms, earthquakes, floods, or other emergencies threatening or causing interruption of water service.

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

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

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

(e) During any period in which any of the Transferred Project Works are operated and maintained by the United States, the Contractor agrees the reserve fund shall be available for like use by the United States.

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

REPLACEMENT OF ARTICLE 27 WITH NEW LANGUAGE

20. Article 27 in the Existing Contract, titled CONTAMINATION OR POLLUTION OF FEDERAL PROPERTY, is amended and replaced in its entirety by the following Article 27:

CONTAMINATION OR POLLUTION OF FEDERAL PROPERTY

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

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

(c) “Hazardous material” means (1) any substance falling within the definition of “hazardous substance,” “pollutant or contaminant,” or “hazardous waste” under the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601(14), (29), and (33)); (2) “oil,” as defined by the Clean Water Act (33 U.S.C. § 1321(a)) and the Oil Pollution Act (33 U.S.C. § 2701(23)); (3) thermal pollution, refuse, garbage, sewage effluent, industrial waste, mine or mill tailings, mineral salts, pesticides, and other solid waste, and (4) any other substance regulated as hazardous or toxic under Federal, State, local or Tribal law.

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

(e) If violation of the provisions of this Article occurs and the Contractor does not take immediate corrective action, as determined by the Contracting Officer, the Contractor may be subject to remedies imposed by the Contracting Officer, which may include termination of this Contract in accordance with Article 3(g).

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

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

(h) The Contracting Officer agrees to provide information necessary for the Contractor, using reasonable diligence, to comply with the provisions of this Article.
ARTICLES 29 THROUGH 33 AREADDED TO THE EXISTING CONTRACT

21. Article 29 through 33 and their respective titles are added to the Existing Contract:

RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION

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

PEST MANAGEMENT

30. (a) The Contractor is responsible for complying with applicable Federal, State, and local laws, rules, and regulations related to pest management in performing its responsibilities under this Contract.

(b) The Contractor is responsible for effectively avoiding the introduction and spread of, and for otherwise controlling, undesirable plants and animals, as defined by the Contracting Officer, on or in the Transferred Project Works, Federal Project lands, Federal Project waters, and Federal Project Works for which and to the extent that the Contractor has operation and maintenance responsibility. The Contractor is responsible for exercising the level of precaution necessary in meeting this responsibility, including inspecting its vehicles, watercraft, and equipment for reproductive and vegetative parts, foreign soil, mud or other debris that may cause the spread of weeds, invasive species and other pests, and removing such materials before moving its vehicles, watercraft, and equipment onto any Federal land, into any Federal Project facility waters, or out of any area on Federal Project land where work is performed.

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

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

**MEDIUM FOR TRANSMITTING PAYMENTS**

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

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

**AMENDMENT DRAFTING CONSIDERATIONS**

32. This Contract Amendment has been negotiated and reviewed by the parties hereto, each of whom is sophisticated in the matters to which this contract pertains. The double-spaced Articles of this Contract Amendment have been drafted, negotiated, and reviewed by the parties, and no one party shall be considered to have drafted the stated articles. Single-spaced Articles are standard Articles pursuant to Bureau of Reclamation policy.

**PRESERVATION OF EXISTING CONTRACT**

33. Except as expressly modified by the provisions of this Contract Amendment, the Existing Contract, along with all amendments to the Existing Contract, and Exhibits A and B attached to the Existing Contract, shall remain in full force and effect.

**EFFECTIVE DATE**

This Amendment to the Existing Contract shall be effective on the date first written above.
IN WITNESS WHEREOF, the parties hereto have executed this Contract Amendment to the Existing Contract, which shall be No. 14-06-200-5222RA, on the day and year first above written.

THE UNITED STATES OF AMERICA

By: ___________________________
Regional Director
Interior Region 10: California-Great Basin
Bureau of Reclamation

CACHUMA OPERATION AND MAINTENANCE BOARD

By: ___________________________
President, Board of Directors

ATTEST:

By: ___________________________
Secretary of the Board of Directors
EXHIBIT C

Contractor:

Cachuma Operation and Maintenance Board
3301 Laurel Canyon Road
Santa Barbara, California 93105
Electronic Address: Administration@cachuma-board.org
Facsimile number: (805) 569-5825