

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

18 [2nd] WHEREAS, on September 12, 1949, the United States executed Contract No
19 I75r-1802, hereinafter referred to as the “Master Contract,” with the Santa Barbara County Water
20 Agency (“Agency”), which required the United States to furnish Cachuma Project water, in
21 stated quantities not to exceed 32,000 acre-feet per year in the aggregate plus surplus water, to
22 Carpinteria Valley Water District, the City of Santa Barbara, Goleta Water District, Montecito
23 Water District (Summerland Water District incorporated into Montecito Water District), and,
24 Santa Ynez River Water Conservation District Improvement District No. 1 (collectively, referred
25 to as the “Original Member Units”), with which the Agency entered into Member Unit
26 Contracts; and

27 [3rd] WHEREAS, on April 14, 1996, the United States and the Agency, for the benefit
28 of the Member Units, executed Contract No. I75r-1802R hereinafter referred to as the “Renewal
29 Master Contract,” which provided for the continued water service to the Member Units following
30 expiration of the Master Contract, No. I75r-1802, with the Agency executing Member Unit
31 renewal contracts with each Member Unit; and

32 [4th] WHEREAS, the United States has determined that the Agency and Member Units
33 to date have fulfilled all of their obligations under the Renewal Master Contract; and the United
34 States is willing to extend the Renewal Master Contract, namely, No. I75r-1802R; and

35 [5th] WHEREAS, on February 24, 1956, the United States, the Original Member Units
36 and the Agency entered into Contract No. 14-06-200-5222, hereinafter referred to as the “O&M
37 Contract,” which provides for the transfer of Operations and Maintenance of Transferred Project
38 Works to the Original Member Units; and

39 [6th] WHEREAS, the O&M Contract has been amended by Amendatory Contracts
40 dated November 5, 1971, October 3, 1978, April 28, 1988, May 12, 1995, September 24, 2001,
41 January 1, 2002, July 1, 2002 and November 1, 2002; and

42 [7th] WHEREAS, on March 1, 2003, the United States and COMB entered into a
43 renewal of the O&M Contract, No. 14-06-200-5222R, for the Transfer of the Operation and
44 Maintenance of the Cachuma Transferred Project, which are identified and described in Exhibit
45 “A” attached thereto (the “Transferred Project Works”), and hereinafter referred to as the
46 “Existing Contract;” and

47 [8th] WHEREAS, as of May 2016, the Contractor, namely, the Cachuma Operation and
48 Maintenance Board, is comprised of member agencies Carpinteria Valley Water District, City of
49 Santa Barbara, Goleta Water District and Montecito Water District; and

50 [9th] WHEREAS, the United States has determined that the Contractor to date has
51 fulfilled all of its obligations under the Existing Contract; and

52 [10th] WHEREAS, the Contractor, namely, the Cachuma Operation and Maintenance
53 Board, has requested renewal of the Existing Contract pursuant to that Contract, the Federal
54 Reclamation laws, and the laws of the State of California, for water service from the Cachuma
55 Project; and

56 [11th] WHEREAS, the United States has completed all appropriate environmental
57 review necessary to provide for execution of this Contract Amendment; and

58 [12th] WHEREAS, the United States is required to update standard articles in all new or
59 amended contracts; and

60 [13th] WHEREAS, the United States is willing to extend, through this Contract
61 Amendment, the Existing Contract, namely, No. 14-06-200-5222R, pursuant to the terms and
62 conditions set forth below.

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

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

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

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

73 **ADDITION TO ARTICLE 1 DEFINITIONS**

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

76 (f) “Operation, Maintenance and Replacement” or “OM&R” shall mean the
77 complete normal and reasonable care, control, operation, repair, replacement, and maintenance,
78 of the Transferred Project Works, including items of work for disaster relief and assistance as
79 described in Title 44 Code of Federal Regulation (“CFR”), Subpart H, commencing with Section
80 206.220;

81 (b) **Article 1 in the Existing Contract, titled DEFINITIONS, is amended**
82 **to add the following definitions in subdivisions (g) and (h):**

83 (g) “Project” shall mean the Cachuma Project owned by the United States and
84 managed by the Department of the Interior, Bureau of Reclamation;

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

92 **REPLACEMENT OF ARTICLE 3 WITH NEW LANGUAGE**

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

97 **OPERATION AND MAINTENANCE OF TRANSFERRED PROJECT WORKS**

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

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

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

115 (d) The Contractor will not make any Substantial Changes in the Transferred
116 Project Works without first obtaining written consent of the Contracting Officer.

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

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

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

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

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

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

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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**

182 **ADEQUACY OF OPERATION AND MAINTENANCE, is amended and replaced in its**

183 **entirety by the following Article 9:**

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

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

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

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

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

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

218 (f) Expenses incurred by the Contractor, as applicable, in participating in the
219 OM&R site examination will be borne by the Contractor.

220 (g) Requests by the Contractor for consultations, design services, or
221 modification reviews, and the completion of any OM&R activities identified in the formal
222 recommendations resulting from the examinations (unless otherwise noted) are to be funded as
223 Project OM&R and are reimbursable by the Contractor to the extent of current OM&R
224 allocations.

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

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

233 **ADDITION OF NEW SUBDIVISION (A) OF ARTICLE 10**

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

238 **BOOKS, RECORDS, AND REPORTS**

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

249 (d) Nothing in this Article 10 shall be construed to limit or constrain the
250 ability of the Bureau of Reclamation to conduct contract compliance reviews of this Contract in
251 accordance with Reclamation Manual Directives and Standards PEC 05-08, last revised October
252 11, 2019, as may be further revised, amended, modified, or superseded.

253 **REPLACEMENT OF ARTICLE 11 WITH NEW LANGUAGE**

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

257 **RULES, REGULATIONS, AND DETERMINATIONS**

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

266 **REPLACEMENT OF ARTICLE 13 WITH NEW LANGUAGE**

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

270 **CERTIFICATION OF NONSEGREGATED FACILITIES**

271 13. The Contractor hereby certifies that it does not maintain or provide for its
272 employees any segregated facilities at any of its establishments and that it does not permit its
273 employees to perform their services at any location under its control where segregated facilities
274 are maintained. It certifies further that it will not maintain or provide for its employees any
275 segregated facilities at any of its establishments and that it will not permit its employees to
276 perform their services at any location under its control where segregated facilities are
277 maintained. The Contractor agrees that a breach of this certification is a violation of the Equal
278 Employment Opportunity clause in this Contract. As used in this certification, the term
279 "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms,
280 restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas,
281 parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing
282 facilities provided for employees which are segregated by explicit directive or are in fact
283 segregated on the basis of race, creed, color, or national origin, because of habit, local custom,
284 disability, or otherwise. The Contractor further agrees that (except where it has obtained
285 identical certifications from proposed subcontractors for specific time periods) it will obtain
286 identical certifications from proposed subcontractors prior to the award of subcontracts

287 exceeding \$10,000 which are not exempt from the provisions of the Equal Employment
288 Opportunity clause; that it will retain such certifications in its files; and that it will forward the
289 following notice to such proposed subcontractors (except where the proposed subcontractors
290 have submitted identical certifications for specific time periods):

291 NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR
292 CERTIFICATIONS OF NONSEGREGATED FACILITIES

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

298 **REPLACEMENT OF ARTICLE 14 WITH NEW LANGUAGE**

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

301 **CHANGES IN THE CONTRACTOR'S ORGANIZATION**

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

307 **REPLACEMENT OF ARTICLE 15 WITH NEW LANGUAGE**

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

310 **CLEAN AIR AND WATER**

311 15. (a) The Contractor agrees as follows:

312 (1) To comply with all the requirements of section 114 of the Clean
313 Air Act, as amended (42 U.S.C. § 7414), and section 308 of the Clean Water Act
314 (33 U.S.C. § 1318), relating to inspection, monitoring, entry, reports, and information, as well as
315 other requirements specified in those sections, and all applicable regulations and guidelines
316 issued thereunder.

317 (2) That no portion of the work required by this Contract will be
318 performed in a facility listed on the Environmental Protection Agency List of Violating Facilities
319 on the Effective Date unless and until the Environmental Protection Agency eliminates the name

320 of such facility or facilities from such listing.

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

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

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

326 (1) The term “Clean Air Act” means the Act enacted by Pub. L. 88-
327 206 of Dec. 17, 1963, and amendments thereto, as codified at 42 U.S.C. § 7401, et seq.

328 (2) The term “Clean Water Act” means the Act enacted by Pub. L. 92-
329 500 of Oct. 18, 1972, and amendments thereto, as codified at 33 U.S.C. § 1251, et seq.

330 (3) The term “clean air standards” refers to all enforceable rules,
331 regulations, guidelines, standards, limitations, orders, controls, prohibitions, and other
332 requirements which are contained in, issued under, or otherwise adopted pursuant to the Clean
333 Air Act or Executive Order 11738, an applicable implementation plan as described in
334 section 110 of the Clean Air Act (42 U.S.C. § 7410), an approved implementation procedure or
335 plan under subsection 111(c) or subsection 111(d) of the Clean Air Act (42 U.S.C. § 7411(c) or
336 (d)), or an approved implementation procedure under subsection 112(d) of the Clean Air Act
337 (42 U.S.C. § 7412(d)).

338 (4) The term “clean water standards” refers to all enforceable
339 limitations, controls, conditions, prohibitions, standards, and other requirements which are
340 promulgated pursuant to the Clean Water Act or contained in a permit issued to a discharger by
341 the Environmental Protection Agency or by a state under an approved program, as authorized by
342 section 402 of the Clean Water Act (33 U.S.C. § 1342), or by local government to ensure
343 compliance with pretreatment regulations as required by section 307 of the Clean Water Act
344 (33 U.S.C. § 1317).

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

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

357 **DELETION OF ARTICLE 16 REPLACEMENT OF ARTICLE 21 WITH NEW**
358 **LANGUAGE**

359 **13. Article 16 in the Existing Contract, titled QUALITY OF WATER, is deleted**
360 **in its entirety, and hereafter designated as “Omitted,” and Article 21, titled WATER AND**
361 **AIR POLLUTION CONTROL, is retitled PROTECTION OF WATER AND AIR**
362 **QUALITY, and is amended and replaced in its entirety by the following Article 21:**

363 **PROTECTION OF WATER AND AIR QUALITY**

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

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

372 (c) The Contractor shall comply with all applicable water and air pollution
373 laws and regulations of the United States and the State of California; and shall obtain all required
374 permits or licenses from the appropriate Federal, State, or local authorities necessary for the
375 delivery of water by the Contractor; and will be responsible for compliance with all Federal,
376 State, and local water quality standards applicable to surface and subsurface drainage and/or
377 discharges generated through the use of Federal or Contractor facilities or Project water provided
378 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.

379 **REPLACEMENT OF ARTICLE 17 WITH NEW LANGUAGE**

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

382 17. (a) The Contractor shall be subject to interest, administrative, and penalty
383 charges on delinquent payments. If a payment is not received by the due date, the Contractor
384 shall pay an interest charge on the delinquent payment for each day the payment is delinquent
385 beyond the due date. If a payment becomes sixty (60) days delinquent, the Contractor shall pay,
386 in addition to the interest charge, an administrative charge to cover additional costs of billing and
387 processing the delinquent payment. If a payment is delinquent ninety (90) days or more, the
388 Contractor shall pay, in addition to the interest and administrative charges, a penalty charge for

389 each day the payment is delinquent beyond the due date, based on the remaining balance of the
390 payment due at the rate of six percent (6%) per year. The Contractor shall also pay any fees
391 incurred for debt collection services associated with a delinquent payment.

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

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

399 **REPLACEMENT OF ARTICLE 18 WITH NEW LANGUAGE**

400 **15. Article 18 in the Existing Contract, titled ASSIGNMENT LIMITED –**
401 **SUCCESSORS AND ASSIGNS OBLIGATED, is amended and replaced in its entirety by**
402 **the following Article 18:**

403 **ASSIGNMENT LIMITED – SUCCESSORS AND ASSIGNS OBLIGATED**

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

407 **REPLACEMENT OF ARTICLE 22 WITH NEW LANGUAGE**

408 **16. Article 22 in the Existing Contract, titled COMPLIANCE WITH CIVIL**
409 **RIGHTS LAWS AND REGULATIONS, is amended and replaced in its entirety by the**
410 **following Article 22:**

411 **COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS**

412 22. (a) The Contractor shall comply with Title VI of the Civil Rights Act of 1964
413 (Pub. L. 88-352; 42 U.S.C. § 2000d), the Rehabilitation Act of 1973 (Pub. L. 93-112, Title V, as
414 amended; 29 U.S.C. § 791, et seq.), the Age Discrimination Act of 1975 (Pub. L. 94-135,
415 Title III; 42 U.S.C. § 6101, et seq.), Title II of the Americans with Disabilities Act of 1990 (Pub.
416 L. 101-336; 42 U.S.C. § 12131, et seq.), and any other applicable civil rights laws, and with the
417 applicable implementing regulations and any guidelines imposed by the U.S. Department of the
418 Interior and/or Bureau of Reclamation.

419 (b) These statutes prohibit any person in the United States from being
420 excluded from participation in, being denied the benefits of, or being otherwise subjected to

421 discrimination under any program or activity receiving financial assistance from the Bureau of
422 Reclamation on the grounds of race, color, national origin, disability, or age. By executing this
423 Contract, the Contractor agrees to immediately take any measures necessary to implement this
424 obligation, including permitting officials of the United States to inspect premises, programs, and
425 documents.

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

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

436 **REPLACEMENT OF ARTICLE 23 WITH NEW LANGUAGE**

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

440 **EQUAL EMPLOYMENT OPPORTUNITY**

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

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

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

456 (c) The Contractor will not discharge or in any other manner discriminate
457 against any employee or applicant for employment because such employee or applicant has
458 inquired about, discussed, or disclosed the compensation of the employee or applicant or another
459 employee or applicant. This provision shall not apply to instances in which an employee who
460 has access to the compensation information of other employees or applicants as part of such
461 employee's essential job functions discloses the compensation of such other employees or
462 applicants to individuals who do not otherwise have access to such information, unless such
463 disclosure is in response to a formal complaint or charge, in furtherance of an investigation,
464 proceeding, hearing, or action, including an investigation conducted by the employer, or is
465 consistent with the Contractor's legal duty to furnish information.

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

472 (e) The Contractor will comply with all provisions of Executive Order No.
473 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary
474 of Labor.

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

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

487 (h) The Contractor will include the provisions of paragraphs (a) through (g) in
488 every subcontract or purchase order unless exempted by the rules, regulations, or orders of the
489 Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24,
490 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor
491 will take such action with respect to any subcontract or purchase order as may be directed by the
492 Secretary of Labor as a means of enforcing such provisions, including sanctions for
493 noncompliance: *Provided, however*, that in the event the Contractor becomes involved in, or is
494 threatened with, litigation with a subcontractor or vendor as a result of such direction, the
495 Contractor may request the United States to enter into such litigation to protect the interests of
496 the United States."

497 **REPLACEMENT OF ARTICLE 24 WITH NEW LANGUAGE**

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

500 **NOTICES**

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

508 **REPLACEMENT OF ARTICLE 26 WITH NEW LANGUAGE**

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

512 **EMERGENCY RESERVE FUND**

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

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

532 annual deposits may be discontinued, and the interest earnings shall continue to accumulate and
533 be retained as part of the reserve fund.

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

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

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

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

555 **REPLACEMENT OF ARTICLE 27 WITH NEW LANGUAGE**

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

559 **CONTAMINATION OR POLLUTION OF FEDERAL PROPERTY**

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

565 (b) The Contractor shall comply with all applicable Federal, State, and local
566 laws and regulations and Reclamation policies and instructions existing, or hereafter enacted or
567 promulgated, concerning any hazardous material that will be used, produced, transported, stored,

568 released, or disposed of on or in Federal Project lands, Project waters, or Project works.

569 (c) "Hazardous material" means (1) any substance falling within the
570 definition of "hazardous substance," "pollutant or contaminant," or "hazardous waste" under the
571 Comprehensive Environmental Response, Compensation and Liability Act
572 (42 U.S.C. § 9601(14), (29), and (33)); (2) "oil," as defined by the Clean Water Act
573 (33 U.S.C. § 1321(a)) and the Oil Pollution Act (33 U.S.C. § 2701(23)); (3) thermal pollution,
574 refuse, garbage, sewage effluent, industrial waste, mine or mill tailings, mineral salts, pesticides,
575 and other solid waste, and (4) any other substance regulated as hazardous or toxic under Federal,
576 State, local or Tribal law.

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

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

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

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

599 (h) The Contracting Officer agrees to provide information necessary for the
600 Contractor, using reasonable diligence, to comply with the provisions of this Article.

601 **ARTICLES 29 THROUGH 33 ARE ADDED TO THE EXISTING CONTRACT**

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

604 **RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION**

605 29. When acquiring land or an interest in land and relocating persons or personal
606 property in connection with the construction, operation, and maintenance of the Transferred
607 Project Works, the Contractor shall comply with the provisions of the Uniform Relocation
608 Assistance and Real Property Acquisition Policies Act of 1970 (Pub. L. 91-646; 84 Stat. 1894;
609 42 U.S.C. § 4601, et seq.) and Department of Transportation regulations at 49 C.F.R. part 24.

610 **PEST MANAGEMENT**

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

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

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

632 (d) Programs for the control of undesirable plants and animals on the
633 Transferred Project Works, Federal Project lands, and in Federal Project waters and Federal
634 Project works for which the Contractor has operation and maintenance responsibility will
635 incorporate Integrated Pest Management ("IPM") concepts and practices. IPM refers to a
636 systematic and environmentally compatible program to maintain pest populations within
637 economically and environmentally tolerable levels. In implementing an IPM program, the
638 Contractor will adhere to applicable Federal and State laws and regulations and Department of

639 the Interior and Bureau of Reclamation policies, directives, guidelines, and manuals, including
640 but not limited to, the Department of the Interior Manual, Part 517 *Integrated Pest Management*
641 *Policy* and Part 609 *Weed Control Program*, the Plant Protection Act of June 20, 2000 (Pub. L.
642 106-224), and Executive Order 13112 of February 3, 1999.

643 MEDIUM FOR TRANSMITTING PAYMENTS

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

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

652 AMENDMENT DRAFTING CONSIDERATIONS

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

658 PRESERVATION OF EXISTING CONTRACT

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

662 EFFECTIVE DATE

663 This Amendment to the Existing Contract shall be effective on the date first written
664 above.

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