

DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Cachuma Project, California

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

Table of Contents

<u>Article No.</u>	<u>Title</u>	<u>Page No.</u>
	Preamble	1
	Explanatory Recitals	1
1	Amends Article 1: Definitions	3
2	Amends Article 2: Term of Contract	3
3	Amends Article 3: Operation and Maintenance of Transferred Project Works.....	4
4	Amends Article 6: Administration of Federal Project Lands	5
5	Amends Article 9: Examination, Inspection, and Audit of Transferred Project Works, Records, and Reports	6
6	Deletes Article 11: Rules, Regulations, and Determinations.....	7
7	Amends Article 14: Changes in the Contractor’s Organization	7
8	Amends Article 15: Clean Air and Water.....	8
9	Amends Article 17: Charges for Delinquent Payments.....	9
10	Amends Article 18: Assignments Limited – Successors and Assigns Obligated.....	9
11	Amends Article 19: Contingent on Appropriations or Allotment of Funds	10
12	Amends Article 20: Officials not to Benefit	10
13	Amends Article 21: Protection of Water and Air Quality	10
14	Amends Article 22: Compliance with Civil Rights Laws and Regulations.....	11
15	Amends Article 23: Equal Employment Opportunity	11
16	Amends Article 24: Notices.....	13
17	Amends Article 26: Emergency Reserve Fund.....	13
18	Amends Article 27: Contamination or Pollution of Federal Property	14
19	Amends Article 30: Pest Management	15
20	Amends Article 32: Contract Drafting Considerations.....	17
21	Amends Article 33: Preservation of Existing Contract.....	17
	Signature Page	18
	Exhibit A – Transferred Project Works (from 14-06-200-5222R)	
	Exhibit B – List of Agreements (from 14-06-200-5222R)	
	Exhibit C – Address for the Contractor (from 14-06-200-5222RA)	
	Exhibit D – Renewal O&M Contract (Contract No. 14-06-200-5222R)	
	Exhibit E – Amendatory Contract (Contract No. 14-06-200-5222RA)	

1 UNITED STATES
2 DEPARTMENT OF THE INTERIOR
3 BUREAU OF RECLAMATRAION
4 Cachuma Project, California

5 SECOND AMENDMENT TO CONTRACT FOR THE TRANSFER OF
6 THE OPERATION AND MAINTENANCE OF THE
7 CACHUMA TRANSFERRED PROJECT WORKS

8 THIS CONTRACT AMENDMENT, is made this ___ day of _____, 2023 in
9 pursuance generally of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory and
10 supplementary thereto, including Section 5 and 7 of the Act of August 13, 1914 (38 Stat. 687),
11 and subsection G of the Second Deficiency Appropriation Act for 1924, Fact Finders' Act of
12 December 5, 1924, (43 Stat. 672), all collectively hereinafter referred to as Federal Reclamation
13 law, between the UNITED STATES OF AMERICA, hereinafter referred to as the United States,
14 and the CACHUMA OPERATION AND MAINTENANCE BOARD, hereinafter referred to as
15 the "Contractor" or "COMB," a California Joint Powers Authority, duly organized, existing, and
16 acting pursuant to the laws of the State of California;

17 WITNESSETH, That;

18 EXPLANATORY RECITALS

19 (a) WHEREAS, on February 24, 1956, the United States, Carpinteria Valley Water
20 District, the City of Santa Barbara, Goleta Water District, Montecito Water District
21 (Summerland Water District incorporated into Montecito Water District), and Santa Ynez River
22 Water Conservation District Improvement District No. 1, hereinafter referred to as the Original
23 Member Units, and Santa Barbara County Water Agency (Agency) entered into Contract No. 14-
24 06-200-5222, hereinafter referred to as the O&M Contract, which provides for the transfer of

25 Operations and Maintenance of the Cachuma Transferred Project Works to the Original Member
26 Units; and

27 (b) WHEREAS, the O&M Contract has been amended by Amendatory Contracts
28 dated November 5, 1971, October 3, 1978, April 28, 1988, May 12, 1995, September 24, 2001,
29 January 1, 2002, July 1, 2002 and November 1, 2002; and

30 (c) WHEREAS, on March 1, 2003, the United States and COMB entered into
31 Contract No. 14-06-200-5222R, hereinafter referred to as the Renewal O&M Contract, attached
32 hereto as Exhibit D, for the Transfer of the Operation and Maintenance of the Cachuma
33 Transferred Project Works; and

34 (d) WHEREAS, as of May 2016, the Contractor is comprised of member agencies
35 Carpinteria Valley Water District, City of Santa Barbara, Goleta Water District and Montecito
36 Water District; and

37 (e) WHEREAS, on September 28, 2020, the United States and COMB entered into
38 Amendatory Contract No. 14-06-200-5222RA, attached hereto as Exhibit E, hereinafter referred
39 to as the Existing Contract; and

40 (f) WHEREAS, the United States has determined that the Contractor to date has
41 fulfilled all of its obligations under the Existing Contract; and

42 (g) WHEREAS, the Contractor has requested a second contract amendment of the
43 Existing Contract pursuant to that Contract, the Federal Reclamation laws, and the laws of the
44 State of California, for continued Transfer of the Operation and Maintenance of the Cachuma
45 Transferred Project Works; and

46 (h) WHEREAS, the United States has completed all appropriate environmental
47 review necessary to provide for execution of this second contract amendment; and

48 (i) WHEREAS, the United States and the Contractor mutually commit to negotiate
49 and seek to reach agreement on a long-term contract, that has been delayed for reasons beyond
50 the control of the parties including but not limited to addressing the implementation of State
51 Water Resources Control Board Order 2019-0148 adopted on September 17, 2019, and
52 completion of applicable environmental compliance; and

53 (j) WHEREAS, the United States is required to update standard articles in all new or
54 amended contracts; and

55 (k) WHEREAS, the United States is willing to amend the Existing Contract pursuant
56 to the terms and conditions set forth below.

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

59 **1. Article 1 of the Existing Contract, entitled DEFINITIONS, is amended to**
60 **add the following subdivisions (i) and (j):**

61 (i) “Contractor's Area of Service” shall mean area within the political
62 boundaries of the Cachuma Member Units and any other areas to which a Cachuma Member
63 Unit is authorized to serve water.

64 (j) “Reserved Works” shall mean any project facility at which Reclamation
65 carries out the OM&R of the facility, as defined in the Reclamation Manual PEC 05-03, which
66 may be updated or superseded.

67 **2. Article 2 of the Existing Contract, entitled TERM OF CONTRACT, is**
68 **amended as follows:**

69 (a) Article 2 of 14-06-200-5222RA is deleted in its entirety and replaced with
70 the following: “This Contract shall be effective October 1, 2023 (Effective Date) through
71 September 30, 2026.”

72 **3. Article 3 in the Existing Contract, entitled OPERATION AND**
73 **MAINTENANCE OF TRANSFERRED PROJECT WORKS, is amended and replaced in**
74 **its entirety by the following Article 3:**

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

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

82 (c) Necessary repairs of the Transferred Project Works will be made
83 promptly by the Contractor. In case of unusual conditions or serious deficiencies in the care and
84 OM&R of the Project Works threatening or causing interruption of water service, the
85 Contracting Officer may issue to the Contractor a special written notice of those necessary
86 repairs. Except in the case of an emergency, the Contractor will be given sixty (60) days to
87 either: 1) make the necessary repairs, or 2) submit a plan for accomplishing the repairs that
88 contains a timeframe for completing the necessary repairs acceptable to the Contracting Officer.
89 In the case of an emergency, or if the Contractor fails to either make the necessary repairs or
90 submit a plan for accomplishing the repairs acceptable to the Contracting Officer within sixty
91 (60) days of receipt of the notice, the Contracting Officer may cause the repairs to be made, and
92 the cost of those repairs will be paid by the Contractor as directed by the Contracting Officer.
93 The Contracting Officer will determine whether an emergency exist requiring immediate repairs or if
94 circumstances will allow for repairs to be made, or a plan to be submitted, within 60 days of receipt
95 of notice.

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

98 (e) The Contractor will take all reasonable measures to prevent any
99 unauthorized encroachment on project land and rights-of-way and address any such
100 encroachment as soon as the Contractor becomes aware of its existence.

101 (f) Except for the sole negligence and intentional torts committed by
102 employees of the United States, the Contractor agrees to indemnify the United States for, and
103 hold the United States and all of its representatives harmless from, all damages resulting from

104 suits, actions, or claims of any character, brought on account of any injury to any person or
105 property arising out of any act, omission, neglect, or misconduct in the manner or method of
106 performing any construction, care or OM&R; and supervision, examination, inspection, or other
107 duties of the Contractor or the United States on Transferred Project Works required under this
108 Contract, regardless of who performs those duties.

109 (g) The Contractor will cooperate with the Contracting Officer in
110 implementing an effective dam safety program. The United States agrees to provide the
111 Contractor and the appropriate agency(ies) of the State(s) in which the project facilities are
112 located with design data, designs, and an operating plan for the dam(s) and related facilities
113 consistent with the current memorandum of understanding between the United States and the
114 State(s) of California relating to the coordination of planning, design, construction, care, and
115 OM&R processes for dams and related facilities.

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

127 (i) In addition to all other payments to be made by the Contractor
128 under this Contract, the Contractor will reimburse to the United States, following the receipt of a
129 statement from the Contracting Officer, all miscellaneous costs incurred by the United States for
130 any work involved in the administration and supervision of this Contract.

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

133 **4. Article 6 in the Existing Contract, entitled ADMINISTRATION OF**
134 **FEDERAL PROJECT LANDS, is amended and replaced in its entirety by the following**

135 **Article 6:**

136 6. (a) The lands and interests in lands acquired, withdrawn, or reserved
137 and needed by the United States for the purposes of care, OM&R of the Transferred Project
138 Works may be used by the Contractor for such purposes. The Contractor is responsible for
139 ensuring that no unauthorized encroachment occurs on Federal Project lands and rights-of-way.

140 The Contractor does not have the authority to issue any land-use agreement or grant that conveys
141 an interest in Federal real property, nor to lease or dispose of any interest of the United States.

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

148 **5. Article 9 in the Existing Contract, titled EXAMINATION, INSPECTION,**

149 **AND AUDIT OF TRANSFERRED PROJECT WORKS, RECORDS, AND REPORTS**

150 **FOR DETERMINING ADEQUACY OF OPERATION AND MAINTENANCE, is**

151 **amended and replaced in its entirety by the following Article 9:**

152 9. (a) The Contracting Officer may, from time to time, examine the following:
153 the Contractor's books, records, and reports; the Transferred Project Works being OM&R by the
154 Contractor; the adequacy of the OM&R program; the reserve fund; and the water conservation
155 program including the water conservation fund, if applicable. Notwithstanding title ownership,
156 where the United States retains a financial, physical, or liability interest in facilities either
157 constructed by the United States or with funds provided by the United States, the Contracting
158 Officer may examine any or all of the Transferred Project Works providing such interest to the
159 United States.

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

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

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

173 (e) The costs incurred by the United States in conducting OM&R
174 examinations, inspections, and audits and preparing associated reports and recommendations
175 related to high- and significant-hazard dams and associated facilities shall be nonreimbursable.

176 Associated facilities include carriage, distribution, and drainage systems; pumping and pumping
177 generating plants; power plant structures; tunnels/pipelines; diversion and storage dams (low-
178 hazard); Type 2 bridges which are Reclamation-owned bridges not located on a public road;
179 regulating reservoirs (low-hazard); fish passage and protective facilities, including hatcheries;
180 river channelization features; rural/municipal water systems; desalting and other water treatment
181 plants; maintenance buildings and service yards; facilities constructed under Federal loan
182 programs (until paid out); and recreation facilities (Reserved Works only); and any other
183 facilities as determined by the Contracting Officer.

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

186 (g) Requests by the Contractor for consultations, design services, or
187 modification reviews, and the completion of any OM&R activities identified in the formal
188 recommendations resulting from the examinations (unless otherwise noted) are to be funded as
189 project OM&R and are reimbursable by the Contractor to the extent of current project OM&R
190 allocations.

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

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

199 **6. Article 11 in the Existing Contract, entitled RULES, REGULATIONS, AND**
200 **DETERMINATIONS, is deleted in its entirety.**

201 **7. Article 14 in the Existing Contract, entitled CHANGES IN**
202 **CONTRACTOR'S ORGANIZATION, is amended and replaced in its entirety by the**
203 **following Article 14:**

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

209 **8. Article 15 in the Existing Contract, entitled CLEAN AIR AND WATER, is**
210 **amended and replaced in its entirety by the following Article 15:**

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

212 (1) To comply with all the requirements of section 114 of the
213 Clean Air Act, as amended (42 U.S.C. § 7414), and section 308 of the Clean Water Act
214 (33 U.S.C. § 1318), relating to inspection, monitoring, entry, reports, and information, as well as
215 other requirements specified in those sections, and all applicable regulations and guidelines
216 issued thereunder.

217 (2) That no portion of the work required by this contract will
218 be performed in a facility listed on the Environmental Protection Agency List of Violating
219 Facilities on the date when this contract was executed unless and until the Environmental
220 Protection Agency eliminates the name of such facility or facilities from such listing.

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

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

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

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

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

231 (3) The term “clean air standards” refers to all enforceable
232 rules, regulations, guidelines, standards, limitations, orders, controls, prohibitions, and other
233 requirements which are contained in, issued under, or otherwise adopted pursuant to the Clean
234 Air Act or Executive Order 11738, an applicable implementation plan as described in
235 section 110 of the Clean Air Act (42 U.S.C. § 7410), an approved implementation procedure or
236 plan under subsection 111(c) or subsection 111(d) of the Clean Air Act (42 U.S.C. § 7411(c) or
237 (d)), or an approved implementation procedure under subsection 112(d) of the Clean Air Act
238 (42 U.S.C. § 7412(d)).

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

244 compliance with pretreatment regulations as required by section 307 of the Clean Water Act
245 (33 U.S.C. § 1317).

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

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

258 **9. Article 17 in the Existing Contract, entitled CHARGES FOR DELINQUENT**
259 **PAYMENTS, is amended and replaced in its entirety by the following Article 17:**

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

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

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

277 **10. Article 18 in the Existing Contract, entitled ASSIGNMENT LIMITED –**
278 **SUCCESSORS AND ASSIGNS OBLIGATED, is amended and replaced in its entirety by**
279 **the following Article 18:**

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

283 **11. Article 19 in the Existing Contract, entitled CONTINGENT ON**
284 **APPROPRIATIONS OR ALLOTMENT OF FUNDS, is amended and replaced in its**
285 **entirety by the following Article 19:**

286 19. The expenditure or advance of any money or the performance of any
287 obligation of the United States under this Contract shall be contingent upon appropriation or
288 allotment of funds. Absence of appropriation or allotment of funds shall not relieve the Contractor
289 from any obligations under this Contract. No liability shall accrue to the United States in case funds
290 are not appropriated or allotted.

291 **12. Article 20 in the Existing Contract, entitled OFFICIALS NOT TO**
292 **BENEFIT, is amended and replaced in its entirety by the following Article 20:**

293 20. No Member of or Delegate to the Congress, Resident Commissioner, or
294 official of the Contractor shall benefit from this Contract other than as a water user or landowner in
295 the same manner as other water users or landowners.

296 **13. Article 21 in the Existing Contract, titled PROTECTION OF WATER AND**
297 **AIR QUALITY, is amended and replaced in its entirety by the following Article 21:**

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

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

306 (c) The Contractor will comply with all applicable water and air pollution
307 laws and regulations of the United States and the State of California; and will obtain all required
308 permits or licenses from the appropriate Federal, State, or local authorities necessary for the delivery
309 of water by the Contractor; and will be responsible for compliance with all Federal, State, and local
310 water quality standards applicable to surface and subsurface drainage and/or discharges generated
311 through the use of Federal or Contractor facilities or Project water provided by the Contractor within
312 its Contractor's Area of Service.

313 (d) This article will not affect or alter any legal obligations of the

314 Secretary to provide drainage or other discharge services.

315 **14. Article 22 in the Existing Contract, entitled COMPLIANCE WITH CIVIL**
316 **RIGHTS LAWS AND REGULATIONS, is amended and replaced in its entirety by the**
317 **following Article 22:**

318 22. (a) The Contractor shall comply with Title VI of the Civil Rights Act
319 of 1964 (Pub. L. 88-352; 42 U.S.C. § 2000d), the Rehabilitation Act of 1973 (Pub. L. 93-112,
320 Title V, as amended; 29 U.S.C. § 791, et seq.), the Age Discrimination Act of 1975 (Pub. L. 94-
321 135, Title III; 42 U.S.C. § 6101, et seq.), Title II of the Americans with Disabilities Act of 1990
322 (Pub. L. 101-336; 42 U.S.C. § 12131, et seq.), and any other applicable civil rights laws, and
323 with the applicable implementing regulations and any guidelines imposed by the U.S.
324 Department of the Interior and/or Bureau of Reclamation.

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

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

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

342 **15. Article 23 in the Existing Contract, entitled EQUAL EMPLOYMENT**
343 **OPPORTUNITY, is amended and replaced in its entirety by the following Article 23:**

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

345 (a) The Contractor will not discriminate against any employee or
346 applicant for employment because of race, color, religion, sex, sexual orientation, gender
347 identity, or national origin. The Contractor will take affirmative action to ensure that applicants
348 are employed, and that employees are treated during employment, without regard to their race,

349 color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall
350 include, but not be limited to the following: employment, upgrading, demotion, or transfer;
351 recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of
352 compensation; and selection for training, including apprenticeship. The Contractor agrees to
353 post in conspicuous places, available to employees and applicants for employment, notices to be
354 provided by the Contracting Officer setting forth the provisions of this nondiscrimination clause.

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

359 (c) The Contractor will not discharge or in any other manner
360 discriminate against any employee or applicant for employment because such employee or
361 applicant has inquired about, discussed, or disclosed the compensation of the employee or
362 applicant or another employee or applicant. This provision shall not apply to instances in which
363 an employee who has access to the compensation information of other employees or applicants
364 as part of such employee's essential job functions discloses the compensation of such other
365 employees or applicants to individuals who do not otherwise have access to such information,
366 unless such disclosure is in response to a formal complaint or charge, in furtherance of an
367 investigation, proceeding, hearing, or action, including an investigation conducted by the
368 employer, or is consistent with the Contractor's legal duty to furnish information.

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

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

378 (f) The Contractor will furnish all information and reports required by
379 Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of
380 the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and
381 accounts by the Contracting Agency and the Secretary of Labor for purposes of investigation to
382 ascertain compliance with such rules, regulations, and orders.

383 (g) In the event of the Contractor's noncompliance with the
384 nondiscrimination clauses of this Contract or with any of such rules, regulations, or orders, this
385 Contract may be canceled, terminated or suspended in whole or in part and the Contractor may
386 be declared ineligible for further Government contracts in accordance with procedures
387 authorized in Executive Order No. 11246 of Sept. 24, 1965, and such other sanctions may be

388 imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965
389 or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

390 (h) The Contractor will include the provisions of paragraphs (a)
391 through (h) in every subcontract or purchase order unless exempted by the rules, regulations, or
392 orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of
393 September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor.
394 The Contractor will take such action with respect to any subcontract or purchase order as may be
395 directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions
396 for noncompliance: *Provided, however*, that in the event the Contractor becomes involved in, or
397 is threatened with, litigation with a subcontractor or vendor as a result of such direction, the
398 Contractor may request the United States to enter into such litigation to protect the interests of
399 the United States.

400 **16. Article 24 in the Existing Contract, entitled NOTICES, is amended and**
401 **replaced in its entirety by the following Article 24:**

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

409 **17. Article 26 in the Existing Contract, entitled EMERGENCY RESERVE**
410 **FUND, is amended and replaced in its entirety by the following Article 26:**

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

417 (b) The Contractor shall accumulate the reserve fund with annual
418 deposits or investments of not less than \$100,000 to a Federally insured, interest- or dividend
419 bearing account or in securities guaranteed by the Federal Government: *Provided, That* money in the
420 reserve fund, including accrued interest, shall be available within a reasonable time to meet expenses
421 for such purposes as those identified in paragraph (d) herein. Such annual deposits and the
422 accumulation of interest to the reserve fund shall continue until the basic amount of \$100,000 is
423 accumulated. Following an emergency expenditure from the fund, the annual deposits shall
424 continue from the year following the emergency expenditure until the previous balance is
425 restored. After the initial amount is accumulated or after the previous balance is restored, the

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

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

433 (d) The Contractor may make expenditures from the reserve fund only
434 for meeting routine or recurring OM&R costs incurred during periods of special stress, as
435 described in paragraph (a) herein; or for meeting unforeseen extraordinary OM&R costs; or for
436 meeting unusual or extraordinary repair or replacement costs; or for meeting betterment costs (in
437 situations where recurrence of severe problems can be eliminated) during periods of special
438 stress. Proposed expenditures from the fund shall be submitted to the Contracting Officer in
439 writing for review and written approval prior to disbursement. Whenever the reserve fund is
440 reduced below the current balance by expenditures therefrom, the Contractor shall restore that
441 balance by the accumulation of annual deposits as specified in paragraph (b) herein.

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

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

448 **18. Article 27 in the Existing Contract, entitled CONTAMINATION OR**
449 **POLLUTION OF FEDERAL PROPERTY, is amended and replaced in its entirety by the**
450 **following Article 27:**

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

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

461 (c) "Hazardous material" means (1) any substance falling within the

462 definition of “hazardous substance,” “pollutant or contaminant,” or “hazardous waste” under the
463 Comprehensive Environmental Response, Compensation and Liability Act
464 (42 U.S.C. § 9601(14), (29), and (33)); (2) oil, as defined by the Clean Water Act
465 (33 U.S.C. § 1321(a)) and the Oil Pollution Act (33 U.S.C. § 2701(23)); (3) thermal pollution,
466 refuse, garbage, sewage effluent, industrial waste, mine or mill tailings, mineral salts, pesticides,
467 and other solid waste, and (4) any other substance regulated as hazardous or toxic under Federal,
468 State, local or Tribal law.

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

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

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

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

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

493 **19. Article 30 in the Existing Contract, entitled PEST MANAGEMENT, is**
494 **amended and replaced in its entirety by the following Article 30:**

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

498 (b) The Contractor is responsible for effectively avoiding the

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

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

515 (d) Programs for the control of undesirable plants and animals on
516 Federal Project lands, and in Federal Project waters and Transferred Project Works for which the
517 Contractor has OM&R responsibility will incorporate Integrated Pest Management (IPM)
518 concepts and practices. IPM refers to a systematic and environmentally compatible program to
519 maintain pest populations within economically and environmentally tolerable levels. In
520 implementing an IPM program, the Contractor will adhere to applicable Federal and State laws
521 and regulations and Department of the Interior and Bureau of Reclamation policies, directives,
522 guidelines, and manuals, including but not limited to, the Department of the Interior Manual, Part
523 *517 Integrated Pest Management Policy* and Part 609 *Weed Control Program*, the Plant
524 Protection Act of June 20, 2000 (Pub. L. 106-224), and Executive Order 13112 of February 3,
525 1999.

526 **20. Article 32 in the Existing Contract, entitled AMENDMENT DRAFTING**
527 **CONIDERATIONS, is retitled CONTRACT DRAFTING CONSIDERATION and is**
528 **replaced in its entirety by the following Article 32:**

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

534 **21. Article 33 in the Existing Contract, entitled PRESERVATION OF**

535 **EXISTING CONTRACT, is replaced in its entirety by the following Article 33:**

536 33. Except as expressly modified by the provisions of this Contract

537 Amendment, the Existing Contract, along with all amendments to the Existing Contract, shall

538 remain in full force and effect. Exhibits “A” through “C” may be modified without further

539 amendment to this Contract Amendment.

540 IN WITNESS WHEREOF, the parties hereto have executed this Contract

541 Amendment to the Existing Contract on the day and year first above written.

542 THE UNITED STATES OF AMERICA

543 By: _____
544 Regional Director
545 Interior Region 10: California-Great Basin
546 Bureau of Reclamation

547 CACHUMA OPERATION AND
548 MAINTENANCE BOARD

549 By: _____
550 President, Board of Directors

551 ATTEST:

552 By: _____
553 Secretary of the Board of Directors

SCC Draft 01/08-1997
Rev. SCC 01/05-1998
Rev. SCC 10/24-2001
Rev. SCC 12/11-2001
Rev. SCC 12/18-2001
Rev. SCC 01/04-2002
Rev. SCC 02/26-2002
Rev. SCC 04/25-2002
Rev. SCC 09/23-2002
Rev. SCC 12/03-2002
Rev. SCC 01/13-2003
Contract No.
14-06-200-5222R

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Cachuma Project, California

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

Table of Contents

<u>Article No.</u>	<u>Title</u>	<u>Page No.</u>
	Preamble	1
	Explanatory Recitals	1-4
1	Definitions	4-5
2	Term of Contract	5
3	Operation and Maintenance of Transferred Project Works-- Payment of Miscellaneous Costs	5-6
4	Transfer of Operation and Maintenance	6-7
5	Liability	7
6	Administration of Federal Project Lands	7-8
7	Oversight and Participation	8
8	Delivery of Water by the Contractor	8-9
9	Examination and Inspection of Transferred Project Works for Determining Adequacy of Operation and Maintenance	9-11
10	Records	11
11	Rules and Regulations	12
12	Other Agreements	12

Table of Contents - continued

<u>Article No.</u>	<u>Title</u>	<u>Page No.</u>
13	Certification of Nonsegregated Facilities	12-13
14	Changes in Contractor's Organization	13
15	Clean Air and Water	13-14
16	Quality of Water	15
17	Charges for Delinquent Payments	15
18	Assignment Limited--Successors and Assigns Obligated	15-16
19	Contingent on Appropriation or Allotment of Funds	16
20	Officials Not to Benefit	16
21	Water and Air Pollution Control	16
22	Compliance with Civil Rights Laws and Regulations	16-17
23	Equal Opportunity	17-18
24	Notices	18-19
25	Counterparts	19
26	Contingency Reserve Fund	19-20
27	Contamination or Pollution of Federal Property	20-21
28	Emergency Action Plans and Notifications	21
	Signature Page	22
	Exhibit A	
	Exhibit B	

1
2
3 UNITED STATES
4 DEPARTMENT OF THE INTERIOR
5 BUREAU OF RECLAMATION
6 Cachuma Project, California

7 CONTRACT FOR THE TRANSFER OF
8 THE OPERATION AND MAINTENANCE OF THE
9 CACHUMA TRANSFERRED PROJECT WORKS

10 THIS CONTRACT, made this 1st day of March, 2003, in

11 pursuance generally of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory thereto,
12 including but not limited to Sections 5 and 7 of the Act of August 13, 1914 (38 Stat. 686), and
13 Subsection G of the Second Deficiency Appropriation Act for 1924, Fact Finders' Act, Act of
14 December 5, 1924, (43 Stat. 672), (collectively referred to as "the Federal Reclamation laws"),
15 between the UNITED STATES OF AMERICA, ("United States"), acting through the Regional
16 Director, Mid-Pacific Region, Bureau of Reclamation, ("Contracting Officer"), and the
17 CACHUMA OPERATION AND MAINTENANCE BOARD, ("Contractor") a California Joint
18 Powers Authority established by agreement of the Carpinteria Valley Water District, the
19 Montecito Water District, the Goleta Water District, the City of Santa Barbara, and the Santa
20 Ynez River Water Conservation District, Improvement District No. 1, ("Member Units"), duly
21 organized, existing, and acting under the laws of the State of California, with its principal place
22 of business in Santa Barbara, California.

23 EXPLANATORY RECITALS

24 A. The United States has constructed the Cachuma Project ("Project"), for diversion,
25 storage, carriage, and distribution of waters of the Santa Ynez River and its tributaries for
26 irrigation, municipal, industrial, domestic, and other beneficial uses.

27 B. On September 12, 1949, the United States executed Contract No. I75r-1802 with
28 the Santa Barbara County Water Agency, (“Agency”), for a water supply from the Cachuma
29 Project for the use and benefit of its Member Units then the City of Santa Barbara, the Goleta
30 Water District, the Montecito Water District, the Summerland Water District, the Carpinteria
31 County Water District, and the Santa Ynez River Water Conservation District (collectively, “the
32 Original Member Units “), with which the Agency entered into Member Unit Contracts.

33 C. Contract No. I75r-1802 contemplated that the United States would operate and
34 maintain the Project Works.

35 D. On February 24, 1956, the United States, the Original Member Units, and the
36 Agency entered into Contract No. 14-06-200-5222, (“O&M Contract”), which provides for the
37 transfer of Operation and Maintenance of Transferred Project Works to the Original Member
38 Units.

39 E. The O&M Contract has been amended by Amendatory Contracts dated
40 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.

42 F. On April 14, 1996, the United States and the Agency, for the benefit of the
43 Member Units, executed Contract No. I75r-1802R providing for long term renewal of the
44 contract for water supply from the Cachuma Project and for successive renewals.

45 G. The Agency has executed Member Unit renewal contracts with each Member
46 Unit.

47 H. To resolve a dispute between the parties regarding the term of the O&M
48 Agreement, as amended on May 12, 1995, on September 24, 2001, the United States and the
49 Contractor executed Contract No. 14-06-200-5222IR1, which provides for the Contractor to
50 continue the Operation and Maintenance of the Transferred Project Works, until December 31,
51 2001, Contract No. 14-06-200-5222IR2, which provides for a continuation of the Operation and
52 Maintenance of the Transferred Project Works by the Contractor until June 30, 2002, and
53 Contract No. 14-06-200-5222IR3, which provides for a continuation of the Operation and
54 Maintenance of the Transferred Project Works by the Contractor until October 31, 2002, and
55 Contract No. 14-06-200-5222IR4, which provides for a continuation of the Operation and
56 Maintenance of the Transferred Project Works by the Contractor until February 28, 2003.

57 I. The protocols for the Operation and Maintenance of the Transferred Project
58 Works are described in the "Standing Operating Procedures for the South Coast Conduit System
59 and Tecolote Tunnel, issued February 1981, as revised March, 2002," and the "Designer's
60 Operating Criteria South Coast Conduit and Appurtenance Control Stations and Reservoirs
61 issued August 1954," including but not limited to, any future revisions to these documents.

62 J. The Operation and Maintenance of the Transferred Project Works by the
63 Contractor has been satisfactory, and it is anticipated that continued Operation and Maintenance
64 of the Transferred Project Works by the Contractor will be satisfactory.

65 K. It is deemed to be in the best interest of the United States and the Contractor that
66 Operation and Maintenance of the Transferred Project Works by the Contractor continue.

67 NOW, THEREFORE, in consideration of the mutual and dependent covenants
68 herein contained, it is mutually agreed by the parties as follows:

69 DEFINITIONS

70 1. When used herein, unless otherwise differently expressed, or manifestly
71 incompatible with the intent of the term:

72 (a) "Secretary" or "Contracting Officer" shall mean the Secretary of the
73 United States Department of the Interior or duly authorized representative;

74 (b) "Project Works" shall mean all Cachuma Project facilities, appurtenances,
75 and property;

76 (c) "Transferred Project Works" shall mean those facilities, appurtenances,
77 and property described in the attached Exhibit "A," consisting of the Tecolote Tunnel and the
78 South Coast Conduit System; related in-line control facilities, turnouts, and measuring devices;
79 equalizing reservoirs, associated water level control devices, and water level recording
80 instruments and appurtenant structures; except as otherwise provided within the Water
81 Improvement Agreement No. 1-07-20-X0200 entitled "Cooperative Agreement for Additions
82 and Alterations to the South Coast Conduit, Carpinteria Section," dated June 26, 1981, as
83 amended April 16, 2002;

84 (d) "Fiscal Year" shall mean the period from and including the first day of
85 July of each calendar year through the last day of June of the following calendar year;

86 (e) "Project Water Rights" shall mean the water right permits and licenses
87 issued for the Cachuma Project pursuant to State law together with all orders of the California

88 State Water Resources Control Board directed to, or binding upon, the permittee or licensee with
89 respect to the Cachuma Project;

90 (f) "Operation and Maintenance" shall mean the complete normal and
91 reasonable care, control, operation, repair, replacement, and maintenance, of the Transferred
92 Project Works, including items of work for disaster relief and assistance as described in Title 44
93 Code of Federal Regulations (CFR), Subpart H, commencing with Section 206.220.

94 TERM OF CONTRACT

95 2. This Contract shall be effective as of the date recited on page one of this Contract
96 and shall remain in effect through September 30, 2020, the date on which Contract
97 No. I75r-1802R expires.

98 OPERATION AND MAINTENANCE OF TRANSFERRED PROJECT WORKS--
99 PAYMENT OF MISCELLANEOUS COSTS

100 3. (a) Title to the Transferred Project Works shall remain with the United States
101 unless and until the Congress of the United States provides otherwise.

102 (b) The Contractor, without expense to the United States, shall care for,
103 operate, and maintain such Transferred Project Works in full compliance with the terms of this
104 Contract, and in such manner that said Transferred Project Works remain in good and efficient
105 condition.

106 (c) Necessary repairs of the Transferred Project Works shall be made
107 promptly by the Contractor. In case of unusual conditions or serious deficiencies in the care,
108 Operation, and Maintenance of the Transferred Project Works threatening or causing interruption
109 of water service, the Contracting Officer may issue to the Contractor a special written notice of
110 the necessary repairs. Within sixty (60) days of receipt of such notice, the Contractor shall either
111 make the necessary repairs or submit a plan acceptable to the Contracting Officer for
112 accomplishing said repairs. If the Contractor fails to do either within sixty (60) days of receipt of
113 said notice, the Contracting Officer may cause the repairs to be made, and the cost thereof shall
114 be paid by the Contractor as directed by the Contracting Officer.

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

117 (e) In the event the Contractor is found to be operating the Transferred Project
118 Works or any part thereof in violation of this Contract, then, upon the election of the Contracting
119 Officer, the United States may take over from the Contractor the care, Operation, and
120 Maintenance of the Transferred Project Works by giving written notice to the Contractor of such
121 election and the effective date thereof. Thereafter, during the period of operation by the United
122 States, upon notification by the Contracting Officer, the Contractor shall pay to the United States,
123 annually in advance, the cost of Operation and Maintenance of the works as determined by the
124 Contracting Officer. Following written notification from the Contracting Officer, the care,
125 Operation, and Maintenance of the Transferred Project Works may be retransferred to the
126 Contractor.

127 (f) In addition to all other payments to be made by the Contractor under this
128 Contract, the Contractor shall reimburse to the United States, following the receipt of a statement
129 from the Contracting Officer, all miscellaneous costs incurred by the United States for unusual
130 work involved in the administration and supervision of this Contract.

131 TRANSFER OF OPERATION AND MAINTENANCE

132 4. (a) Any future transfer of additional Project Works shall be done only at the
133 request of the Contractor pursuant to 43 U.S.C. Section 499a and such rules and regulations
134 promulgated under this Section.

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

140 (c) The Contracting Officer, at the request of the Contractor, shall transfer
141 title to any and all tools, vehicles, supplies, and equipment owned by the United States and
142 historically used for the Operation and Maintenance of the Transferred Project Works as noted

143 on the property records maintained by the United States for the Transferred Project Works. Title
144 shall be to transfer personal property only; no title to real property shall transfer to the Contractor
145 under this Contract.

146 LIABILITY

147 5. (a) The Contractor shall hold harmless the United States, its officers, agents,
148 and employees from legal liability for damages of any nature whatsoever arising out of any
149 actions or omissions by the respective officers, agents, and employees of the Contractor related
150 to the Operation and Maintenance of the Transferred Project Works since February 24, 1956,
151 where such liability is caused by an error or omission of the respective officers, agents, or
152 employees of the Contractor.

153 (b) Within thirty (30) days of receipt by either party of any claim for liability
154 arising from actions within the scope of this Contract, the party receiving the claim shall notify
155 the other party of such claim and provide a copy of the claim to the other party, if it is in written
156 form. Nothing in this Article shall be construed to limit the right of either party to assert such
157 affirmative defenses and file such cross complaints as may be appropriate in relation to any claim
158 affecting the liability of such party.

159 ADMINISTRATION OF FEDERAL PROJECT LANDS

160 6. (a) The lands and rights-of-way acquired and needed by the United States
161 for the purposes of care, Operation and Maintenance of Project Works may be used by the
162 Contractor for such purposes. The Contractor shall ensure that no unauthorized encroachment
163 occurs on Transferred Project Works. The Contractor shall not issue rights-of-way across Project
164 land, issue land rights to Project lands, or issue leases, licenses, permits, or special use
165 agreements involving Project lands, rights-of-way, or Transferred Project Works. All such land
166 use instruments shall only be issued by the Contracting Officer.

167 (b) In the event the Contractor has exhausted its effort to remedy an
168 unauthorized encroachment, the Contracting Officer and the Contractor shall consult to develop
169 and implement an appropriate plan of action.

170 (c) Although the Contractor does not have the authority to issue any land use
171 instrument that conveys an interest in real property, nor to lease or dispose of any interest of the
172 United States, the Contractor may, subject to the written approval of the Contracting Officer,
173 issue permits, licenses, or similar land use instruments only to the extent they do not grant an
174 interest in the real property.

175 (d) Before issuance of any land use instrument or agreement, the Contracting
176 Officer shall consult with the Contractor and shall consider any reasonable provisions requested
177 by the Contractor for inclusion in such land use instrument or agreement.

178 OVERSIGHT AND PARTICIPATION
179

180 7. (a) Provided the Contractor has adequate notice thereof, the Contractor shall
181 review and where appropriate comment on preliminary and final development plans,
182 environmental documents, and other documents which affect the Transferred Project Works. A
183 copy of the Contractor's comments shall be provided to the Contracting Officer.

184 (b) When appropriate, the Contractor shall participate with city, county, state,
185 and Federal governments, or governmental groups and private concerns in meetings, hearings,
186 and other activities affecting the Transferred Project Works.

187 DELIVERY OF WATER BY THE CONTRACTOR

188 8. (a) The Contractor shall, when operating and maintaining the Transferred
189 Project Works or any part thereof, perform all valid obligations of the United States pertaining to

190 the transportation, storage, and delivery of water from, through, or by such Transferred Project
191 Works.

192 (b) Prior to the Contracting Officer entering into, renewing, amending, or
193 consenting to the assignment of any water service or conveyance contract, including contracts
194 granted under the Warren Act, but not including Contract No. I75r-1802R or any renewal
195 thereof, with any other contractor who is to receive water via the Transferred Project Works, the
196 Contracting Officer shall provide the Contractor the opportunity to review and comment upon
197 the draft of such contract, or consent to the assignment and shall include in any such contract or
198 consent to the assignment (and in accordance with Article 18) one or more provisions requiring
199 such other contractor to pay to the Contractor an appropriate share of the costs of Operation and
200 Maintenance of the Transferred Project Works pursuant to Article 3 above.

201 EXAMINATION AND INSPECTION OF TRANSFERRED PROJECT WORKS FOR
202 DETERMINING ADEQUACY OF OPERATION AND MAINTENANCE

203 9. (a) The Contracting Officer may, from time to time, examine the Contractor's
204 books, records, and reports, and the Transferred Project Works being operated by the Contractor
205 to assist the Contractor in determining the condition of the Transferred Project Works, and the
206 adequacy of the operation, maintenance, and dam safety programs and the contingency's reserve
207 fund. The Contracting Officer may examine any or all of the Transferred Project Works which
208 were constructed by the United States and transferred to the Contractor, or Transferred Project
209 Works which were constructed by the Contractor with funds advanced or reimbursed by the
210 United States.

211 (b) The Contracting Officer may, or the Contractor may request the
212 Contracting Officer to, conduct special inspections of any Transferred Project Works being
213 operated by the Contractor and special audits of the Contractor's books and records to ascertain
214 the extent of any Operation and Maintenance deficiencies, to determine the remedial measures
215 required for their correction, and to assist the Contractor in solving specific problems. Except in
216 an emergency, any special inspection or audit shall be made only after written notice thereof has
217 been delivered to the Contractor by the Contracting Officer.

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

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

224 (e) The Contractor shall reimburse the actual cost incurred by the United
225 States in making Operation and Maintenance examinations, inspections, and audits, and
226 preparing associated reports and recommendations.

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

231 (g) The Contracting Officer shall provide to the Contractor copies of reports
232 and recommendations relating to such examinations and inspections provided by the State.

233 RECORDS

234 10. (a) The Contracting Officer and the Contractor shall each set up and maintain
235 separate, adequate, and appropriate financial records and books of account in accordance with
236 generally accepted accounting principles for their respective expenditures related to the Project.
237 The records and books of account shall be subject at all reasonable times to inspection,
238 examination, copying, or audit by the Contracting Officer and by authorized representatives of
239 the Contractor. The Contracting Officer and the Contractor shall preserve and make available
240 their respective financial records and books of account relating to the Project until the later of
241 either (i) the final disposition of any litigation or settlement of claims arising out of performance
242 under this Contract, or (ii) the expiration of any retention period agreed upon by the parties.

243 (b) The Contracting Officer and the Contractor shall each maintain records of
244 Operation and Maintenance activities with regard to the Transferred Project Works under their
245 respective control. Such records shall be made available to the Contracting Officer and the
246 Contractor. The Contracting Officer shall make available to the Contractor, without charge,
247 copies of those Operation and Maintenance records in the possession of the United States at the
248 time this agreement is executed, and any revisions or modifications to those records subsequent
249 to such execution. The Contracting Officer shall also make available to the Contractor, without
250 charge, any plans, drawings, photographs, records, or other documents relating to the Project,
251 which the Contracting Officer determines will no longer be maintained by the United States.

252 RULES AND REGULATIONS

253 11. The Contracting Officer, after providing the Contractor an opportunity for review
254 and comment, may promulgate rules and regulations to implement this Contract. Such rules and
255 regulations shall be consistent with the laws of the United States and the applicable laws of the
256 State of California. The Contractor shall observe such rules and regulations.

257 OTHER AGREEMENTS

258 12. (a) The Contractor shall deliver water through the Transferred Project Works
259 for the benefit of the Carpinteria Valley Water District, Montecito Water District, Goleta Water
260 District, City of Santa Barbara, and the Santa Ynez River Water Conservation District,
261 Improvement District No. 1, in accordance with the agreements listed in Exhibit "B" as such
262 agreements currently exist and as they may be amended in the future.

263 (b) The Contracting Officer shall consult with the Contractor and the
264 Contractor shall be given a reasonable opportunity to review and comment on contracts affecting
265 the operation or condition of the Project Works which have a term of one (1) year or more or
266 which otherwise require Solicitor review.

267 CERTIFICATION OF NONSEGREGATED FACILITIES

268 13. The Contractor hereby certifies that it does not maintain or provide for its
269 employees any segregated facilities at any of its establishments, and that it does not permit its
270 employees to perform their services at any location, under its control, where segregated facilities
271 are maintained. It certifies further that it will not maintain or provide for its employees any
272 segregated facilities at any of its establishments, and that it will not permit its employees to
273 perform their services at any location, under its control, where segregated facilities are
274 maintained. The Contractor agrees that a breach of this certification is a violation of the Equal
275 Opportunity clause in this Contract. As used in this certification, the term "segregated facilities"
276 means any waiting rooms, work areas, restrooms, and washrooms, restaurants and other eating

277 areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking
278 fountains, recreation or entertainment areas, transportation, and housing facilities provided for
279 employees which are segregated by explicit directive or are in fact segregated on the basis of
280 race, creed, color, or national origin, because of habit, local custom, or otherwise. The
281 Contractor further agrees that (except where it has obtained identical certifications from proposed
282 subcontractors for specific time periods) it will obtain identical certifications from proposed
283 subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from
284 the provisions of the Equal Opportunity clause; that it will retain such certifications in its files;
285 and that it will forward the following notice to such proposed subcontractors (except where the
286 proposed subcontractors have submitted identical certifications for specific periods).

287 CHANGES IN CONTRACTOR'S ORGANIZATION

288 14. While this Contract is in effect, no change may be made in the Contractor's
289 organization, by inclusion or exclusion of lands, dissolution, consolidation, merger, or otherwise,
290 except upon the Contracting Officer's written consent.

291 CLEAN AIR AND WATER

292 15. (a) Consistent with Article 16, the Contractor agrees as follows:

293 (1) To comply with all the requirements of Section 114 of the Clean
294 Air Act, as amended (42 U.S.C., 1857 *et seq.*, as amended by Public Law 91-604) and Section
295 308 of the Federal Water Pollution Control Act (33 U.S.C., 1251 *et seq.*, as amended by Public
296 Law 92-500), respectively, relating to inspection, monitoring, entry, reports, and information, as
297 well as other requirements specified in Section 114 and Section 308 of the Air Act and the Water
298 Act, respectively, and all regulations and guidelines issued thereunder before the execution of
299 this Contract.

300 (2) That no portion of the work required by this Contract will be
301 performed in a facility listed on the Environmental Protection Agency List of Violating Facilities
302 on the date when this Contract was executed unless and until the EPA eliminates the name of
303 such facility or facilities from such listing.

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

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

308 (b) The terms used in this Article have the following meanings:

309 (1) The term "Air Act" means the Clean Air Act, as amended (42
310 U.S.C. 1857 et seq., as amended by Public Law 91-604).

311 (2) The term "Water Act" means Federal Water Pollution Control Act,
312 as amended (33 U.S.C. 1251 et seq., as amended by Public Law 92-500).

313 (3) The term "clean air standards" means any enforceable rules,
314 regulations, guidelines, standards, limitations, orders, controls, prohibitions, or other
315 requirements which are contained in, issued under, or otherwise adopted pursuant to the Air Act
316 or Executive Order 11738, an applicable implementation plan as described in Section 110(d) of
317 the Clean Air Act [42 U.S.C. 1857c-5(d)], an approved implementation procedure or plan under
318 Section 111(c) or Section 111(d), respectively, of the Air Act [42 U.S.C. 1857c-6(c) or (d)], or an
319 approved implementation procedure under Section 112(d) of the Air Act [42 U.S.C. 1857c-7(d)].

320 (4) The term "clean water standards" means any enforceable
321 limitation, control, condition, prohibition, standard, or other requirement which is promulgated
322 pursuant to the Water Act or contained in a permit issued to a discharger by the Environmental
323 Protection Agency or by a State under an approved program, as authorized by Section 402 of the
324 Water Act (33 U.S.C. 1342), or by local government to ensure compliance with pretreatment
325 regulations as required by Section 307 of the Water Act (33 U.S.C. 1317).

326 (5) The term "comply" means compliance with clean air or water
327 standards. Comply shall also mean compliance with a schedule or plan ordered or approved by a
328 court of competent jurisdiction, the Environmental Protection Agency or an air or water pollution
329 control agency in accordance with the requirements of the Air Act or Water Act and regulations
330 issued pursuant thereto.

331 (6) The term "facility" means any building, plant, installation,
332 structure, mine, vessel, or other floating craft, location or site of operations, owned, leased, or
333 supervised by a contractor or subcontractor, to be utilized in the performance of a contract or
334 subcontract. Where a location or site of operations contains or includes more than one building,
335 plant, installation, or structure, the entire location or site shall be deemed to be a facility except
336 where the Director, Office of Federal Activities, Environmental Protection Agency, determines
337 that independent facilities are collocated in one geographical area.

338 QUALITY OF WATER

339 16. The Operation and Maintenance of the Transferred Project Works shall be
340 performed in such manner as is practicable to maintain the quality of raw water made available
341 through such facilities at the highest level reasonably attainable as determined by the Contracting
342 Officer. The United States does not warrant the quality of water and is under no obligation to
343 construct or furnish water treatment facilities to maintain or better the quality of water.

344 CHARGES FOR DELINQUENT PAYMENTS

345 17. (a) The Contractor shall be subject to interest, administrative, and penalty
346 charges on delinquent installments or payments. When a payment is not received by the due
347 date, the Contractor shall pay an interest charge for each day the payment is delinquent beyond
348 the due date. When a payment becomes sixty (60) days delinquent, the Contractor shall pay an
349 administrative charge to cover additional costs of billing and processing the delinquent payment.
350 When a payment is delinquent ninety (90) days or more, the Contractor shall pay an additional
351 penalty charge of six (6%) percent per year for each day the payment is delinquent beyond the
352 due date. Further, the Contractor shall pay any fees incurred for debt collections services
353 associated with a delinquent payment.

354 (b) The interest charge rate shall be the greater of the rate prescribed quarterly
355 in the Federal Register by the Department of the Treasury for application to overdue payments,
356 or the interest rate of 0.5 percent per month prescribed by Section 6 of the Reclamation Project
357 Action of 1939 (Public Law 76-260). The interest charge rate shall be determined as of the due
358 date and remain fixed for the duration of the delinquent period.

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

362 ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

363 18. The provisions of this Contract shall apply to and bind the successors and assigns
364 of the respective parties, but assignment or transfer of this Contract by the Contractor, or any part
365 thereof, or interest therein, shall not be valid unless and until approved by the Contracting
366 Officer in writing. Any waiver at any time by any party to this Contract of its rights with respect

367 to a default, or any other matter arising in connection with this Contract, shall not be deemed to
368 be a waiver with respect to any subsequent default or matter.

369 CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

370 19. The expenditure or advance of any money or the performance of any obligation of
371 the United States under this Contract shall be contingent upon appropriation or allotment of
372 funds. Absence of appropriation or allotment of funds shall not relieve the Contractor from any
373 obligations under this Contract. No liability shall accrue to the United States in case funds are
374 not appropriated or allotted.

375 OFFICIALS NOT TO BENEFIT

376 20. No Member of or Delegate to Congress, Resident Commissioner, or official of the
377 Contractor shall benefit from this Contract other than as a water user or landowner in the same
378 manner as other water users or landowners.

379 WATER AND AIR POLLUTION CONTROL

380 21. The Contractor, in carrying out this Contract, shall comply with all applicable
381 water and air pollution laws and regulations of the United States and the State of California, and
382 shall obtain all required permits or licenses from the appropriate Federal, State, or local
383 authorities.

384 COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

385 22. (a) The Contractor shall comply with Title VI of the Civil Rights Act of 1964
386 (42 U.S.C. 2000d), Section 504 of the Rehabilitation Act of 1975 (P.L. 93-112, as amended), the
387 Age Discrimination Act of 1975 (42 U.S.C. 6101, et seq.), American Disabilities Act (P.L. 101-
388 336), and any other applicable civil rights laws, as well as with their respective implementing
389 regulations and guidelines imposed by the U.S. Department of the Interior and/or Bureau of
390 Reclamation.

391 (b) These statutes require that no person in the United States shall, on the
392 grounds of race, color, national origin, handicap, age, sex, or religion, be excluded from
393 participation in, be denied the benefits of, or be otherwise subjected to discrimination under any
394 program or activity receiving financial assistance from the Bureau of Reclamation. By executing
395 this Contract, the Contractor agrees to immediately take any measures necessary to implement
396 this obligation, including permitting officials of the United States to inspect premises, programs,
397 and documents.

399 (c) The Contractor makes this agreement in consideration of and for the
400 purpose of obtaining any and all Federal grants, loans, contracts, property discounts, or other
401 Federal financial assistance extended after the date hereof to the Contractor by the Bureau of
402 Reclamation, including financial assistance, which was approved before such date. The
403 Contractor recognizes and agrees that such Federal assistance will be extended in reliance on the
404 representations and agreements made in this Article, and that the United States reserves the right
405 to seek judicial enforcement thereof.

406
407 EQUAL OPPORTUNITY

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

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

419 (2) The Contractor will, in all solicitations or advertisements for employees
420 placed by or on behalf of the Contractor state that all qualified applicants will receive
421 consideration for employment without discrimination because of race, color, religion, sex, age,
422 handicap, or national origin.

423 (3) The Contractor will send to each labor union or representative of workers
424 with which they have a collective bargaining agreement or other contract or understanding, a
425 notice, to be provided by the Contracting Officer, advising the said labor union or workers'
426 representative of the Contractor' commitments under Section 202 of Executive Order 11246 of
427 September 24, 1965, and shall post copies of the notice in conspicuous places available to
428 employees and applicants for employment.

429 (4) The Contractor will comply with all provisions of Executive Order
430 No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders
431 of the Secretary of Labor.

432 (5) The Contractor will furnish all information and reports required by said
433 amended Executive Order and by the rules, regulations, and relevant orders of the Secretary of

434 Labor, or pursuant thereto, and will permit access to its books, records, and account by the
435 Contracting Officer and the Secretary of Labor for purposes of investigation to ascertain
436 compliance with such rules, regulations, and orders.

437 (6) In the event of the Contractor's noncompliance with the nondiscrimination
438 clauses of this Contract or with any of the said rules, regulations, or orders, this Contract may be
439 canceled, terminated, or suspended, in whole or in part, and the Contractor may be declared
440 ineligible for further Government contracts in accordance with procedures authorized in said
441 amended Executive Order, and such other sanctions may be imposed and remedies invoked as
442 provided in said Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as
443 otherwise provided by law.

444 (7) The Contractor will include the provisions of paragraphs (1) through (7) in
445 every subcontract or purchase order unless exempted by the rules, regulations, or orders of the
446 Secretary of Labor issued pursuant to Section 204 of said amended Executive Order, so that such
447 provisions will be binding upon each subcontractor or vendor. The Contractor will take such
448 action with respect to any subcontract or purchase order as may be directed by the Secretary of
449 Labor as a means of enforcing such provisions, including sanctions for noncompliance:
450 Provided, however, That in the event the Contractor becomes involved in, or is threatened with
451 litigation with a subcontractor or vendor as a result of such direction, the Contractor may request
452 the United States to enter into such litigation to protect the interests of the United States.

453 NOTICES

454 24. (a) Any notice, demand, or request authorized or required by this Contract shall
455 be deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or
456 delivered to the Area Manager, South-Central California Area Office, Bureau of Reclamation,
457 1243 N Street, Fresno, California 93721, and on behalf of the United States, when mailed,
458 postage prepaid, or delivered to the General Manager, Cachuma Operation and Maintenance
459 Board, 3301 Laurel Canyon Road, Santa Barbara, California 93105-2017. The designation of
460 the addressee or the address may be changed by notice given in the same manner as provided in
461 this Article for other notices.

462 With a copy to:

463 Carpinteria Valley Water District
464 P.O. Box 578 (93013-0578)
465 1301 Santa Ynez Avenue
466 Carpinteria, California 93014
467 - Facsimile No.: (805) 684-3170

468 Goleta Water District
469 4699 Hollister Avenue
470 Goleta, California 93110-1999
471 - Facsimile No.: (805) 964-7002

472 Montecito Water District
473 P.O. Box 5037
474 583 San Ysidro Road (93108)
475 Montecito, California 93150-5037
476 - Facsimile No.: (805) 969-7261

477 City of Santa Barbara
478 630 Garden Street (93101)
479 P.O. Box 1990
480 Santa Barbara, California 93102-1990
481 - Facsimile No.: (805) 564-5467

482 Santa Ynez River Water Conservation District
483 Improvement District No. 1
484 P.O. Box 157
485 3622 Sagunto Street
486 Santa Ynez, California 93460-0157
487 - Facsimile No.: (805) 688-3078

488 COUNTERPARTS

489 25. This Contract may be executed in separate counterparts, each of which when so
490 executed and delivered shall be an original, but all such counterparts shall together constitute but
491 one and the same instrument.

492 CONTINGENCY RESERVE FUND

493 26. The Contractor shall provide to Reclamation on or before December 31 of
494 each year, an annual statement of each Member Unit's contingency reserve fund that would be
495 available to meets costs incurred during periods of special stress caused by damaging droughts,
496 storms, earthquakes, floods, or other emergencies threatening or causing interruption of water

497 service. Each Member Unit's contingency reserve fund shall be deposited in a Federally insured
498 interest or dividend bearing account, in securities guaranteed by the Federal Government, or in
499 the local agency investment fund of the State of California or a similar account approved by the
500 Contracting Officer. When combined, the total of the Member Unit's contingency reserve fund
501 accounts shall be no less than \$100,000. If in any year the combined total falls below \$100,000,
502 as shown on the December 31 accounting, the difference must be made up by December 31 of
503 the following year.

504 CONTAMINATION OR POLLUTION OF FEDERAL PROPERTY

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

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

514 (c) "Hazardous material" means any substance, pollutant, or contaminant
515 listed as hazardous under the Comprehensive Environmental Response, Compensation, and
516 Liability Act of 1980, as amended, 42 U.S.C. § 9601, *et seq.*, and the regulations promulgated
517 pursuant to that Act. In addition, hazardous material shall include thermal pollution, refuse,
518 garbage, sewage effluent, industrial waste, petroleum products, mine tailings, mineral salts,
519 misused pesticides, pesticide containers, or any other pollutants.

520 (d) Upon discovery of any event which may or does result in contamination or
521 pollution of said Federal project lands, water, or project works, the Contractor shall initiate
522 emergency measures to protect health and safety and the environment if necessary and shall
523 report such discovery with full details of the actions taken to the Contracting Officer. Reporting
524 shall be within a reasonable time period but shall not exceed 24 hours from the time of discovery
525 if it is an emergency and the first working day if it is a non-emergency.
526

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

531 (f) The Contractor shall be liable for the cost of full and complete remediation
532 and/or restoration of any of said Federal project lands, project waters, or project works that are
533 adversely affected as a result of such violation, and/or termination of this Contract, unless
534 otherwise agreed to by the Contracting Officer.

535 (g) Reclamation agrees to provide information necessary for the Contractor,
536 using reasonable diligence, to comply with the provisions of this Article.

537 EMERGENCY ACTION PLANS AND NOTIFICATIONS

538 28. (a) The Contractor shall prepare emergency action plans for the Transferred
539 Project Works if and to the extent required by the Contracting Officer and shall furnish copies of
540 such plans to the Contracting Officer.

541 (b) The Contractor shall notify the Contracting Officer as soon as reasonably
542 practicable after initial observation by the Contractor of any event or situation which threatens
543 (1) the safety or integrity of the Transferred Project Works or (2) the well being of humans or
544 property located adjacent to the Transferred Project Works. Notwithstanding Article 24, such
545 notification shall be made telephonically or by facsimile transmission rather than by mail.

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

548 THE UNITED STATES OF AMERICA

549 APPROVED AS TO LEGAL
550 FORM AND SUFFICIENCY
551 *James E. Tucker*
552 OFFICE OF REGIONAL SOLICITOR
553 DEPARTMENT OF THE INTERIOR

By: *[Signature]*
Regional Director, Mid-Pacific Region
Bureau of Reclamation

554
555 CACHUMA OPERATION AND
556 MAINTENANCE BOARD

557 (SEAL)

By: *[Signature]*
Jan Abel
President, Board of Directors

561 Attest:
562 By: *[Signature]*
563 Robert E. Wignot
564 Secretary of the Board

565 Approved as to Form:
566 By: *[Signature]*
567 William H. Hair
568 General Counsel

569 By: *[Signature]*
570 Clyde E. Wullbrandt
571 Special Counsel

EXHIBIT A
CONTRACT NO. 14-06-200-5222R
TRANSFERRED PROJECT WORKS

TECOLOTE TUNNEL

Tecolote Tunnel¹
Appurtenant Tunnel Structures
Intake Tower
Control Station (North Portal)
Gate Chamber
Outlet Structure (South Portal)

SOUTH COAST CONDUIT SYSTEM

South Coast Conduit
Goleta Section
Carpinteria Section

Sheffield Tunnel
Glen Anne Dam and Reservoir
Lauro Dam and Reservoir
Ortega Dam and Reservoir Excluding Cover
Carpinteria Dam and Reservoir Excluding Cover

Chlorinating Works²
System Appurtenances
 Dam Outlet Works
 Control Stations, Offices and Outbuildings
 Turnouts and Wasteways
 Vent, Section Valve, Air Valve and Blowoff Structures

¹ Including all water situated within a 1,500-foot radius of the intake of the Tecolote Tunnel, together with those lands situated north of relocated State Highway No. 150, now identified as Highway No. 154, and within 1,000 feet on either side of the center line of the Tecolote Tunnel. Recreational activities are prohibited in this area per Article 3 of Contract No. 14-06-200-600 Agreement to Administer Recreational Area, dated January 12, 1953, between the United States and Santa Barbara County.

² The Chlorinating Works were retransferred by the United States and the Cachuma Operation and Maintenance Board to Carpinteria County Water District, Goleta Water District and Montecito Water District by Contract No. 14-06-200-6649 dated September 19, 1957, and remain the responsibility of these Districts in accordance with said Contract.

EXHIBIT B

1. On May 15, 1995, Contract No. I75r-1802R, entitled Contract Between the United States and Santa Barbara County Water Agency Providing for Water Service from the Project on Behalf of the Member Units was executed on April 14, 1996. The Contract is effective May 15, 1995, through September 30, 2020.
2. On July 25, 1995, the United States entered into a Contract for the Storage and Conveyance of Non-Project Water Between the United States and the Central Coast Water Authority for the use of the Bradbury Dam, Lake Cachuma, Tecolote Tunnel, Lauro Reservoir, and the South Coast Conduit facilities
3. On June 26, 1981, as amended, the United States and the Carpinteria County Water District entered into Cooperative Agreement No. 1-07-20-X0200, which provides for the additions and alterations to the South Coast Conduit, Carpinteria Section.
4. On August 15, 1973, a Joint Powers Agreement was entered into between the Carpinteria County Water District ("Carpinteria Valley Water District"), Montecito County Water District ("Montecito Water District"), and the Summerland County Water District to Treat Water.
5. On April 18, 1957, as amended March 6, 1958, July 3, 1967, and July 1, 1970, the parties to the Joint Powers Agreement dated August 1973 entered into an agreement between the Goleta County Water District and the City of Santa Barbara entitled Agreement for the Installation, Construction and Operation and Maintenance of Facilities to Control the Taste and Odor of the Cachuma Lake Water and to Pump Cachuma Lake Water into the North Portal of the Tecolote Tunnel.

RESOLUTION NO. 378

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CACHUMA OPERATION AND MAINTENANCE BOARD (COMB) APPROVING A CONTRACT BETWEEN COMB AND THE UNITED STATES DEPARTMENT OF THE INTERIOR, BUREAU OF RECLAMATION, FOR THE TRANSFER OF THE OPERATION AND MAINTENANCE OF THE CACHUMA TRANSFERRED PROJECT WORKS

RECITALS

- A. The Board of Directors of the **Cachuma Operation and Maintenance Board (COMB)** is proposing to enter into a Contract with the U.S. Department of the Interior, Bureau of Reclamation, for the transfer of the Operation and Maintenance of the Cachuma Transferred Project Works.
- B. It is in the best interest of COMB to enter into said Contract (Contract No. 14-06-200-5222R).
- C. COMB has reviewed the terms and conditions of the Contract and has determined that they are acceptable.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of COMB that:

- 1. The facts set forth in the recitals above and in the documents referenced herein are true and correct, and the Board so finds and determines.
- 2. The Board hereby approves said Contract as to form.
- 3. The Board hereby authorizes the President of the Board to execute the Contract, for and on behalf of COMB.
- 4. COMB's officers and staff are authorized and directed to do all things necessary and appropriate to complete the processing and execution of the Contract.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Cachuma Operation and Maintenance Board, at a Regular Board Meeting held on the 16th day of December 2002, by the following roll call vote:

**AYES:
NAYES:
ABSENT/ABSTAIN:**

[SEAL]

ATTEST:

Secretary of the Board

APPROVED:

President of the Board



United States Department of the Interior

BUREAU OF RECLAMATION
Mid-Pacific Regional Office
2800 Cottage Way
Sacramento, California 95825-1898

IN REPLY
REFER TO:
MP-440
WTR-4.00

MAR 12 1988

Mr. Robert E. Wignot
General Manager/Secretary
Cachuma Operation and Maintenance Board
3301 Laurel Canyon Road
Santa Barbara, California 93105-2017

Subject: Contract No. 14-06-200-5222R for the Transfer of the Operation and Maintenance of the Cachuma Transferred Project Works - Cachuma Project, California

Dear Board Members:

Enclosed is an executed original of Contract No. 14-06-200-5222R, above subject, for your records. We appreciate the effort expended by the Cachuma Operation and Maintenance Board and your representatives relative to this contract.

If you have any questions, please contact Ms. Kay Moore, Repayment Specialist, at 916-978-5245 (TDD 916-978-5608).

Sincerely,

Kirk C. Rodgers

Kirk C. Rodgers
Regional Director

Enclosure

cc: Mr. William H. Hair
Nordman, Cormany, Hair & Compton
P. O. Box 9100
Oxnard, California 93036-1132
(w/copy of encl)

~~bc: Deputy Director, Office of Program and Policy Services, Denver, CO
Attention: D-5600 (M. Peterson)
Assistant Solicitor, Water and Power Branch, Washington, DC
Regional Solicitor, Pacific Southwest Region, Sacramento, CA
Attention: J. Turner
MP-440 (km), -440 (nla), SCC-414 (S. Carter)
(each w/copy of encl)~~

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

Table of Contents

<u>Article No.</u>	<u>Title</u>	<u>Page No.</u>
	Preamble	1
	Explanatory Recitals	1
1.	Renewal and Revision of Contract No. 14-06-200-5222R.....	4
2.	Addition to Article 1 Definitions.....	4
3.	Replacement of Article 3 with New Language.....	5
4.	Deletion of Subdivision (b) of Article 4	7
5.	Deletion of Subdivision (a) of Article 5	7
6.	Replacement of Subdivision (a) Article 6 with New Language	7
7.	Replacement of Article 9 with New Language.....	8
8.	Addition of New Subdivision (a) of Article 10	9
9.	Replacement of Article 11 with New Language.....	10
10.	Replacement of Article 13 with New Language.....	10
11.	Replacement of Article 14 with New Language.....	11
12.	Replacement of Article 15 with New Language.....	11
13.	Deletion of Article 16 Replacement of Article 21 with New Language	13
14.	Replacement of Article 17 with New Language.....	14
15.	Replacement of Article 18 with New Language.....	14
16.	Replacement of Article 22 with New Language.....	15
17.	Replacement of Article 23 with New Language.....	16
18.	Replacement of Article 24 with New Language.....	17
19.	Replacement of Article 26 with New Language.....	18
20.	Replacement of Article 27 with New Language.....	19
21.	Articles 29 through 33 are Added to the Existing Contract.....	20
	Effective Date	22
	Signature Page	23

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

1 THIS CONTRACT AMENDMENT, is made this 28 day of September, 2020 in
2 pursuance generally of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory and
3 supplementary thereto, including Section 5 and 7 of the Act of August 13, 1914 (38 Stat. 687),
4 and subsection G of the Second Deficiency Appropriation Act for 1924, Fact Finders' Act of
5 December 5, 1924, (43 Stat. 672), all collectively hereinafter referred to as the "Federal
6 Reclamation Laws," between the UNITED STATES OF AMERICA, hereinafter referred to as
7 the "United States," acting through the Regional Director, California Great-Basin Region,
8 Bureau of Reclamation, hereinafter referred to as the "Contracting Officer," and the CACHUMA
9 OPERATION AND MAINTENANCE BOARD, hereinafter referred to as the "Contractor" or
10 "COMB," a California Joint Powers Authority, duly organized, existing, and acting pursuant to
11 the laws of the State of California;

12 WITNESSETH, That;

13 EXPLANATORY RECITALS

14 [1st] WHEREAS, the United States has constructed and is operating the Cachuma
15 Project, for diversion, storage, carriage, and distribution of waters of the Santa Ynez River and
16 its tributaries for irrigation, municipal, domestic, industrial, and other beneficial uses, hereinafter
17 referred to as the "Cachuma Project" or "Project;" and

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.

154 **DELETION OF SUBDIVISION (B) OF ARTICLE 4**

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

157 **DELETION OF SUBDIVISION (A) OF ARTICLE 5**

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

160 **REPLACEMENT OF SUBDIVISION (A) ARTICLE 6 WITH NEW LANGUAGE**

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

165 **ADMINISTRATION OF FEDERAL PROJECT LANDS**

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

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

179 **REPLACEMENT OF ARTICLE 9 WITH NEW LANGUAGE**

180 7. Article 9 in the Existing Contract, titled **EXAMINATION AND**
181 **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.

262 (b) The Contracting Officer shall have the right to make determinations
263 necessary to administer this Contract that are consistent with its provisions, the laws of the
264 United States, and the State of California and the rules and regulations promulgated by the
265 Secretary of the Interior. Such determinations shall be made in consultation with the Contractor.

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.

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

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

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

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

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

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

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

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

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

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

409

REPLACEMENT OF ARTICLE 22 WITH NEW LANGUAGE

410

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

411

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

412

following Article 22:

413

COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

414

22. (a) The Contractor shall comply with Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352; 42 U.S.C. § 2000d), the Rehabilitation Act of 1973 (Pub. L. 93-112, Title V, as amended; 29 U.S.C. § 791, et seq.), the Age Discrimination Act of 1975 (Pub. L. 94-135, Title III; 42 U.S.C. § 6101, et seq.), Title II of the Americans with Disabilities Act of 1990 (Pub. 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.

421

(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 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.

428

(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.

436

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

437

438 **REPLACEMENT OF ARTICLE 23 WITH NEW LANGUAGE**
439 17. Article 23 in the Existing Contract, titled EQUAL OPPORTUNITY, is
440 retitled EQUAL EMPLOYMENT OPPORTUNITY, and is amended and replaced in its
441 entirety by the following Article 23:

442 EQUAL EMPLOYMENT OPPORTUNITY

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

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

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

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

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

474 (e) The Contractor will comply with all provisions of Executive Order No.
475 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary
476 of Labor.

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

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

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

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

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

502 **NOTICES**

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

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

511 **19. Article 26 in the Existing Contract, titled CONTINGENCY RESERVE**

512 **FUND, is retitled EMERGENCY RESERVE FUND, and is amended and replaced in its**

513 **entirety by the following Article 26:**

514 **EMERGENCY RESERVE FUND**

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

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

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

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

549 (5) years of withdrawal by the accumulation of annual deposits which will be over and above the
550 normal annual contribution to the reserve fund.

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

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

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

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

561 **CONTAMINATION OR POLLUTION OF FEDERAL PROPERTY**

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

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

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

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

585 (24) hours from the time of discovery if it is an emergency, and the first working day following
586 discovery in the event of a non-emergency.

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

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

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

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

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

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

606 **RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION**

607 29. When acquiring land or an interest in land and relocating persons or personal
608 property in connection with the construction, operation, and maintenance of the Transferred
609 Project Works, the Contractor shall comply with the provisions of the Uniform Relocation
610 Assistance and Real Property Acquisition Policies Act of 1970 (Pub. L. 91-646; 84 Stat. 1894;
611 42 U.S.C. § 4601, et seq.) and Department of Transportation regulations at 49 C.F.R. part 24.

612 **PEST MANAGEMENT**

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

616 (b) The Contractor is responsible for effectively avoiding the introduction and
617 spread of, and for otherwise controlling, undesirable plants and animals, as defined by the
618 Contracting Officer, on or in the Transferred Project Works, Federal Project lands, Federal
619 Project waters, and Federal Project Works for which and to the extent that the Contractor has

620 operation and maintenance responsibility. The Contractor is responsible for exercising the level
621 of precaution necessary in meeting this responsibility, including inspecting its vehicles,
622 watercraft, and equipment for reproductive and vegetative parts, foreign soil, mud or other debris
623 that may cause the spread of weeds, invasive species and other pests, and removing such
624 materials before moving its vehicles, watercraft, and equipment onto any Federal land, into any
625 Federal Project facility waters, or out of any area on Federal Project land where work is
626 performed.

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

634 (d) Programs for the control of undesirable plants and animals on the
635 Transferred Project Works, Federal Project lands, and in Federal Project waters and Federal
636 Project works for which the Contractor has operation and maintenance responsibility will
637 incorporate Integrated Pest Management ("IPM") concepts and practices. IPM refers to a
638 systematic and environmentally compatible program to maintain pest populations within
639 economically and environmentally tolerable levels. In implementing an IPM program, the
640 Contractor will adhere to applicable Federal and State laws and regulations and Department of
641 the Interior and Bureau of Reclamation policies, directives, guidelines, and manuals, including
642 but not limited to, the Department of the Interior Manual, Part 517 *Integrated Pest Management*
643 *Policy* and Part 609 *Weed Control Program*, the Plant Protection Act of June 20, 2000 (Pub. L.
644 106-224), and Executive Order 13112 of February 3, 1999.

645 MEDIUM FOR TRANSMITTING PAYMENTS

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

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

654 AMENDMENT DRAFTING CONSIDERATIONS

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

660

PRESERVATION OF EXISTING CONTRACT

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

664

EFFECTIVE DATE

665 This Amendment to the Existing Contract shall be effective on the date first written
666 above.

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

670 THE UNITED STATES OF AMERICA

671 By: 
672 Regional Director
673 Interior Region 10: California-Great Basin
674 Bureau of Reclamation

675 CACHUMA OPERATION AND
676 MAINTENANCE BOARD

677 By: 
678 President, Board of Directors

679 ATTEST:

680 By: 
681 Secretary of the Board of Directors


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

670 THE UNITED STATES OF AMERICA

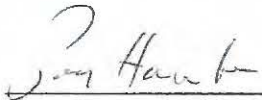
APPROVED AS TO LEGAL FORM AND
SUFFICIENCY - REVIEWED BY:

671 
672

OFFICE OF THE REGIONAL SOLICITOR
DEPARTMENT OF THE INTERIOR
TIME STAMP: 1:37 pm, May 11 2020

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

675 CACHUMA OPERATION AND
676 MAINTENANCE BOARD

677 By: 
678 President, Board of Directors

679 ATTEST:

680 By: 
681 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

RESOLUTION NO. 718

**RESOLUTION OF THE GOVERNING BOARD OF THE
CACHUMA OPERATION & MAINTENANCE BOARD APPROVING
A CONTRACT AMENDMENT BETWEEN COMB AND THE UNITED STATES
DEPARTMENT OF THE INTERIOR, BUREAU OF RECLAMATION, FOR THE
TRANSFER OF THE OPERATION AND MAINTENANCE OF THE CACHUMA
TRANSFERRED PROJECT WORKS, AND AUTHORIZING EXECUTION
OF THE CONTRACT BY THE PRESIDENT OF THE BOARD**

WHEREAS, the Cachuma Operation & Maintenance Board (“COMB”) is a joint powers authority and public entity, organized and existing in the County of Santa Barbara in accordance with Government Code Section 6500 *et seq.*, and operating pursuant to the 1996 Amended and Restated Agreement for the Establishment of a Board of Control to Operate and Maintain the Cachuma Project - Cachuma Operation And Maintenance Board, dated May 23, 1996 (“Amended and Restated Agreement”), as amended by an Amendment to the Amended and Restated Agreement made effective September 16, 2003; and as amended by the Second Amendment to the 1996 Amended and Restated Agreement made effective November 20, 2018 (collectively the “Joint Powers Agreement”); and

WHEREAS, the Member Agencies of COMB consist of the Goleta Water District, the City of Santa Barbara, the Montecito Water District, and the Carpinteria Valley Water District; and

WHEREAS, COMB operates and maintains Cachuma Project facilities pursuant to a Transfer of Operation and Maintenance Contract entered into with the United States Bureau of Reclamation (“Reclamation”) in 2003, including the South Coast Conduit (“SCC”) and appurtenances (the “Existing O&M Contract”). The SCC is a critical piece of infrastructure that provides for the conveyance of Cachuma Project water and State Project water to 250,000 residents on the South Coast of Santa Barbara County; and

WHEREAS, the Governing Board of the Cachuma Operation and Maintenance Board is proposing to enter into a Contract Amendment to the Existing O&M Contract with Reclamation for a term of three (3) years, expiring September 30, 2023; and

WHEREAS, it is in the best interest of COMB to enter into the Contract Amendment to the Existing O&M Contract, which is referred to as “Contract No. 14-06-200-5222RA;” and

WHEREAS, the COMB Governing Board has reviewed the terms and conditions of Contract No. 14-06-200-5222RA and has determined that they are acceptable; and

WHEREAS, adopting Resolution No. 718 provides statutory exemption from environmental review under the California Environmental Quality Act and thereby, authorizes the filing of a Notice of Exemption (“NOE”) by COMB with the Clerk of the Board of Supervisors, County of Santa Barbara.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF COMB AS FOLLOWS:

1. The Governing Board finds and determines that the facts set forth in the above recitals and in the documents referenced herein are true and correct.
2. The Governing Board authorizes the President of the Board to execute Contract No. 14-06-200-5222RA with the U.S. Department of the Interior, Bureau of Reclamation, as an Amendment to the Contract for the Transfer of the Operation and Maintenance of the Cachuma Transferred Project Works.
3. This Resolution shall take effect immediately.

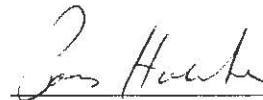
PASSED, APPROVED AND ADOPTED by the Governing Board of the Cachuma Operation and Maintenance Board, this 24th day of August 2020, by the following roll call vote:

Ayes:

Nays:

Abstain:

APPROVED:



President of the Governing Board

ATTEST:



Secretary of the Governing Board