SECOND AMENDMENT TO CONTRACT BETWEEN THE UNITED STATES
AND
SANTA CLARA VALLEY WATER DISTRICT
FOR WATER SERVICE AND OPERATION AND
MAINTENANCE OF CERTAIN WORKS OF THE SAN FELIPE DIVISION

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### Second Amendatory Contract
No. 7-07-20-W0023B
USBR Draft 01232020

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**Effective Date**

**Signature Page**

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Exhibit F – Copy of First Amendment and Attachments (Exhibit “A”, Exhibit “B”, Exhibit “C” and Exhibit “D”) dated March 28, 2007
Exhibit G – Points of Delivery
THIS SECOND AMENDMENT CONTRACT NO. 7-07-20-W0023B, is made this ___ day of ____________, 2020 in pursuance generally of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory and supplementary thereto, including but not limited to, the Act of August 26, 1937 (50 Stat. 844), as amended and supplemented; August 4, 1939 (53 Stat. 1187), as amended and supplemented; July 2, 1956 (70 Stat. 483), June 21, 1963 (77 Stat. 68), August 27, 1967 (81 Stat. 173), October 12, 1982 (96 Stat. 1263), October 27, 1986 (100 Stat. 3050), as amended, and Title XXXIV of the Act of October 30, 1992, (106 Stat. 4706), all collectively hereinafter referred to as the Federal Reclamation law, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, and SANTA CLARA VALLEY WATER DISTRICT, hereinafter referred to as the Contractor, a public agency of the State of California, duly organized, existing, and acting pursuant to the laws thereof;

WITNESSETH, That;

EXPLANATORY RECITALS

[1st] WHEREAS, the United States has constructed and is operating the Central Valley Project (“Project”), California, for diversion, storage, carriage, distribution and beneficial use, for flood control, irrigation, municipal, domestic, industrial, fish and wildlife mitigation, protection and restoration, generation and distribution of electric energy, salinity control,
navigation and other beneficial uses, of waters of the Sacramento River, the American River, the
Trinity River, and the San Joaquin River and their tributaries; and

[2nd] WHEREAS, the Contractor and the United States entered into a contract titled
“Contract Between the United States and Santa Clara Valley Water District for Water Service
and for Operation and Maintenance of Certain Works of the San Felipe Division”, Contract No.
7-07-20-W0023, dated June 7, 1977, which established terms and conditions for the delivery to
the Contractor of Project water from January 1, 1988 through December 31, 2027, hereinafter
referred to as the “1977 Contract”; and

[3rd] WHEREAS, the Contractor and the United States entered into an amendment to
the 1977 Contract dated March 28, 2007, titled “First Amendment to Contract between the
United States and Santa Clara Valley Water District for Water Service and Operation and
Maintenance of Certain Works of the San Felipe Division”, Contract No. 7-07-20-W0023A,
which among other things established the terms and conditions for the repayment of the San
Felipe Division facilities and implementation of certain Central Valley Project Improvement Act
activities, hereinafter referred to as “First Amendment”; and

[4th] WHEREAS, the 1977 Contract as amended by the First Amendment is hereinafter
referred to as “Existing Contract”; and

[5th] WHEREAS, the “First Amendment” incorrectly identifies the Contract No. as
7-07-02-W0023A instead of 7-07-20-W0023A; and

[6th] WHEREAS, the Contracting Officer and the Contractor agree to amend the
Existing Contract, with the execution of this Second Amendment to the Existing Contract to
update Article 9 to add CVP-wide form of contract language providing for the mutually agreed
upon point or points of delivery pursuant to Federal Reclamation law on the terms and conditions
as set forth below and to update the Standard Articles consistent with the Bureau of
Reclamations current requirements; and

[7th] WHEREAS, the environmental compliance requirements for the execution of this
contract have been met by Environmental Assessment Number (EA) 14-046 entitled “Santa Clara Valley Water District Second Contract Amendment,” which resulted in a Finding of No Significant Impact Number 14-046 dated January 4, 2019.

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

MODIFICATION TO EXISTING CONTRACT

1. The contract number Contract No. 7-07-02-W0023A is corrected to Contract No. 7-07-20-W0023A wherever it occurs in the Existing Contract including exhibits.

2. Article 1 in the Existing Contract, entitled DEFINITIONS is amended as follows:

(a) Subdivisions (b), (h), (i) and (k) in Article 1 of the Existing Contract are amended and replaced in their entirety with the following new subdivisions (b), (h), (i) and (k).

(b) “Project” shall mean the Central Valley Project (CVP) owned by the United States and managed by the Department of the Interior, Bureau of Reclamation;

(h) “Agricultural Water” shall mean the use of Project Water to irrigate lands primarily for the production of commercial, agricultural crops or livestock, and domestic and other uses that are incidental thereto;

(i) “Municipal and Industrial Water or M&I” shall mean the use of Project Water for municipal, industrial, and miscellaneous other purposes not falling under the definition of Agricultural Water or within another category of water use under an applicable Federal authority;
(k) “Calendar Year” or “Year” shall mean the period January 1 through December 31, both dates inclusive;

(b) Article 1 in the Existing Contract is amended to add the following definitions in subdivisions (u) through (cc):

(u) “Condition of Shortage” shall mean a condition respecting the Project during any Year such that the Contracting Officer is unable to deliver sufficient water to meet the Contract Total;

(v) “Contract Total” shall mean the maximum amount of water to which the Contractor is entitled under subdivision (b) of Article 3 of this Contract;

(w) “CVPIA” shall mean the Central Valley Project Improvement Act, Title XXXIV of the Act of October 30, 1992 (106 Stat. 4706);

(x) “Delta Division Facilities” shall mean those existing and future Project facilities in and south of the Sacramento-San Joaquin Rivers Delta, including, but not limited to, the Jones Pumping Plant, the O’Neill Forebay, the O’Neill Pumping/Generating Plant, and the San Luis Reservoir, used to divert, store and convey water to those Project Contractors entitled to receive water conveyed through the Delta-Mendota Canal;

(y) “Operation and Maintenance” or “O&M” shall mean normal and reasonable care, control, operation, repair, replacement (other than capital replacement), and maintenance of Project facilities;

(z) “Project Contractors” shall mean all parties who have water service contracts for Project Water from the Project with the United States pursuant to Federal Reclamation law;

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

(bb) “Secretary” shall mean the Secretary of the Interior, a duly appointed successor, or an authorized representative acting pursuant to any authority of the Secretary and through any agency of the Department of the Interior;

(cc) “Water Scheduled” shall mean Project Water made available to the Contractor for which times and quantities for delivery have been established by the Contractor and Contracting Officer, pursuant to Article 4 of this Contract;

3. Article 9(a) in the Existing Contract First sentence is amended and replaced in its entirety with the following:

POINT OF DELIVERY – MEASUREMENT – RESPONSIBILITY FOR DISTRIBUTION

9. (a) Project Water scheduled as provided in Article 4 of this Contract shall be made available to the Contractor, pursuant to this Contract, at the headworks of the Santa Clara Facilities and/or any additional point or points of delivery either on Project facilities or another location or locations, mutually agreed to in writing by the Contracting Officer and the Contractor. Such additional point or points of delivery shall be set forth in Exhibit “G”, which may be revised without amending this Contract.

4. Article 7 in the Existing Contract titled WATER SHORTAGE AND APPORTIONMENT is amended and replaced in its entirety with the following new Article 7:

CONSTRAINTS ON AVAILABILITY OF WATER

7. (a) In its operation of the Project, the Contracting Officer will use all reasonable means to guard against a condition of shortage in the quantity of water to be made
available to the Contractor pursuant to this contract. In the event the Contracting Officer
determines that a condition of shortage appears probable, the Contracting Officer will notify the
Contractor of said determination as soon as practicable.

(b) If there is a condition of shortage because of inaccurate runoff forecasting
or other similar operational errors affecting the Project, drought, other physical causes beyond
the control of the Contracting Officer or actions taken by the Contracting Officer to meet current
and future legal obligations, then, except as provided in Article 32 of this Contract, no liability
shall accrue against the United States or any of its officers, agents, or employees for any damage,
direct or indirect, arising therefrom.

(c) In any year that the Contracting Officer determines there is a shortage in
the quantity of water available to Project Contractors, the Contracting Officer will apportion
available water among the water users capable of receiving water from the same Project facilities
by reducing deliveries to all such water users by the same percentage, unless the Contracting
Officer is prohibited by existing contracts, Project authorizations, or the Contracting Officer
determines that some other method of apportionment is required to prevent undue hardship. In
the event reduced deliveries within the Division are necessary, Project Water furnished under
this Contract for M&I purposes will be allocated in accordance with the CVP M&I Water
Shortage Policy. Such Policy shall be amended, modified, or superseded only through public
notice and comment procedure.

(d) If operation of the Project to meet legally required Delta water quality
control standards, including Federally adopted water quality standards, causes a shortage in
water supply and requires a reduction in deliveries of water to the Contractor under this
agreement, such reductions will be made in accordance with subdivision (c) of this article and
shall not be deemed a breach hereof.

5. Article 8 in the Existing Contract titled QUALITY OF WATER is deleted in
its entirety and Article 21 titled WATER AND AIR POLLUTION CONTROL is retitled
PROTECTION OF WATER AND AIR QUALITY and is amended and replaced by the following Article 21 in its entirety:

PROTECTION OF WATER AND AIR QUALITY

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

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

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

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

6. Article 10 in the Existing Contract titled LIMITATION ON DELIVERY, is deleted in its entirety.

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

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

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

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

8. Article 20 in the Existing Contract titled RESERVE FUND is retitled EMERGENCY RESERVE FUND and is amended and replaced by the following Article 20 in its entirety:

EMERGENCY RESERVE FUND

(Annual Deposit)

20. (a) Commencing with the year following the transfer of operation and maintenance of the transferred works to the Contractor, the Contractor shall accumulate and maintain a reserve fund or demonstrate to the satisfaction of the Contracting Officer that other funds are available for use as an emergency reserve fund. The Contractor shall establish and maintain that emergency reserve fund to meet costs incurred during periods of special stress caused by damaging droughts, storms, earthquakes, floods, or other emergencies threatening or causing interruption of water service.

(b) The Contractor shall accumulate the reserve fund with annual deposits or investments of not less than $50,000 to a Federally insured, interest- or dividend-bearing account or in securities guaranteed by the Federal Government: Provided, That money in the reserve fund, including accrued interest, shall be available within a reasonable time to meet expenses for such purposes as those identified in paragraph (d) herein. Such annual deposits and the accumulation of interest to the reserve fund shall continue until the basic amount of $250,000 is accumulated. Following an emergency expenditure from the fund, the annual deposits shall continue from the year following the emergency expenditure until the previous balance is restored. After the initial amount is accumulated or after the previous balance is restored, the annual deposits may be discontinued, and the interest earnings shall continue to accumulate and be retained as part of the reserve fund.

(c) Upon mutual written agreement between the Contractor and the Contracting Officer, the basic reserve fund or the accumulated reserve fund may be adjusted to account for risk and uncertainty stemming from the size and complexity of the project; the size of the annual operation and maintenance budget; additions to, deletions from, or changes in project works; and operation and maintenance costs not contemplated when this contract was
(d) The Contractor may make expenditures from the reserve fund only for meeting routine or recurring operation and maintenance costs incurred during periods of special stress, as described in paragraph (a) herein; or for meeting unforeseen extraordinary operation and maintenance costs; or for meeting unusual or extraordinary repair or replacement costs; or for meeting betterment costs (in situations where recurrence of severe problems can be eliminated) during periods of special stress. Proposed expenditures from the fund shall be submitted to the Contracting Officer in writing for review and written approval prior to disbursement. Whenever the reserve fund is reduced below the current balance by expenditures therefrom, the Contractor shall restore that balance by the accumulation of annual deposits as specified in paragraph (b) herein.

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

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

9. Article 28 in the Existing Contract titled GENERAL OBLIGATION–BENEFITS CONDITIONED UPON PAYMENT is amended and replaced by the following Article 28 in its entirety:

GENERAL OBLIGATION – BENEFITS CONDITIONED UPON PAYMENT

28. (a) The obligation of the Contractor to pay the United States as provided in this Contract is a general obligation of the Contractor notwithstanding the manner in which the obligation may be distributed among the Contractor's water users and notwithstanding the default of individual water users in their obligation to the Contractor.

(b) The payment of charges becoming due pursuant to this Contract is a condition precedent to receiving benefits under this Contract. The United States shall not make water available to the Contractor through Project facilities during any period in which the Contractor is in arrears in the advance payment of water rates due the United States. The Contractor shall not deliver water under the terms and conditions of this Contract for lands or parties that are in arrears in the advance payment of water rates as levied or established by the Contractor.

10. Article 29 in the Existing Contract titled CHANGES IN THE CONTRACTOR'S ORGANIZATION is retitled CHANGES IN THE CONTRACTOR'S
ORGANIZATION OR SERVICE AREA and is amended and replaced by the following Article 29 in its entirety:

CHANGES IN THE CONTRACTOR'S ORGANIZATION OR SERVICE AREA

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

11. Article 30 in the Existing Contract Titled BOOKS, RECORDS, AND REPORTS is amended and replaced by the following Article 30 in its entirety:

BOOKS, RECORDS, AND REPORTS

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

(b) Nothing in this Article 30 shall be construed to limit or constrain the ability of the Bureau of Reclamation to conduct contract compliance reviews of this contract in accordance with Reclamation Manual Directives and Standards PEC 05-08, last revised November 20, 2014, as may be further revised, amended, modified, or superseded.

12. Article 31 in the Existing Contract titled RULES AND REGULATIONS is retitled RULES, REGULATIONS, AND DETERMINATIONS and subdivision (a) is amended and replaced by the following Article 31 subdivisions (a) and (b) and subdivision (b) is redesignated subdivision (c):
RULES, REGULATIONS, AND DETERMINATIONS

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

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

13. Article 33 in the Existing Contract titled TITLE VI, CIVIL RIGHTS ACT OF 1964 is retitled COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS is amended and replaced by the following Article 33 in its entirety:

COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS


(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.

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

14. Article 34 in the Existing Contract titled EQUAL OPPORTUNITY is retitled EQUAL EMPLOYMENT OPPORTUNITY is amended and replaced by the following Article 34 in its entirety:

EQUAL EMPLOYMENT OPPORTUNITY

34. During the performance of this contract, the Contractor agrees as follows:

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

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

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

(d) The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Contracting Officer, advising the labor union or workers’ representative of the Contractor’s commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
(e) The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

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

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

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

15. Article 38 in the Existing Contract titled CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS is amended and replaced by the following Article 38 in its entirety:

CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

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

16. Article 39 in the Existing Contract titled OFFICIALS NOT TO BENEFIT subdivision (a) is amended and replaced by the following subdivision (a) in its entirety:
OFFICIALS NOT TO BENEFIT

39. (a) No Member of or Delegate to the Congress, Resident Commissioner, or official of the Contractor shall benefit from this contract other than as a water user or landowner in the same manner as other water users or landowners.

17. Article 40 in the Existing Contract titled ASSIGNMENT LIMITED – SUCCESSORS AND ASSIGNS OBLIGATED is amended and replaced by the following Article 40 in its entirety:

ASSIGNMENT LIMITED – SUCCESSORS AND ASSIGNS OBLIGATED

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

18. Article 41 in the Existing Contract titled NOTICES is replaced by the following Article 41 in its entirety:

NOTICES

41. Any notice, demand, or request authorized or required by this Contract shall be deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or delivered to the Regional Director, Mid-Pacific Region, Bureau of Reclamation, 2800 Cottage Way, Sacramento, California 95825, and on behalf of the United States, when mailed, postage prepaid, or delivered to the Valley Water District, 5750 Almaden Expressway, San Jose, California 95118. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this article for other notices.

19. Article 42 in the Existing Contract titled CONFIRMATION OF CONTRACT is replaced by the following Article 42 in its entirety:

CONFIRMATION OF CONTRACT

42. Promptly after the execution of this Amendment, the Contractor will provide evidence to the Contracting Officer that, pursuant to the laws of the State of California, the Contractor is a legally constituted entity and the Amendment is lawful, valid, and binding on the Contractor. This Amendment will not be binding on the United States until the Contractor provides evidence to the Contracting Officer’s satisfaction. In addition to other forms of evidence to meet the requirements of this Article, the Contractor may provide or the Contracting Officer may require a certified copy of a final decree of a court of competent jurisdiction in the
State of California, confirming the proceedings on the part of the Contractor for the authorization of the execution of this Amendment.

20. The first sentence of subdivision (a) of Article 43 of the Existing Contract titled WATER CONSERVATION is amended and replaced with the following:

WATER CONSERVATION

43. (a) Prior to the delivery of water provided from or conveyed through federally constructed or federally financed facilities pursuant to this contract, the Contractor shall develop a water conservation plan, as required by subsection 210(b) of the Reclamation Reform Act of 1982 and 43 C.F.R. 427.1 (Water Conservation Rules and Regulations).

21. Articles 44 through 46 are added to the Existing Contract:

PRIVACY ACT COMPLIANCE

44. (a) The Contractor shall comply with the Privacy Act of 1974 (Privacy Act) 5 U.S.C. § 552a) and the Department of the Interior rules and regulations under the Privacy Act (43 C.F.R. § 2.45, et seq.) in maintaining landholder certification and reporting records required to be submitted to the Contractor for compliance with sections 206, 224(c), and 228 of the Reclamation Reform Act of 1982 (43 U.S.C. §§ 390ff, 390ww, and 390zz), and pursuant to 43 C.F.R. § 426.18.

(b) With respect to the application and administration of the criminal penalty provisions of the Privacy Act (5 U.S.C. § 552a(i)), the Contractor and the Contractor’s employees who are responsible for maintaining the certification and reporting records referenced in paragraph (a) above are considered to be employees of the Department of the Interior. See 5 U.S.C. § 552a(m).

(c) The Contracting Officer or a designated representative shall provide the Contractor with current copies of the Department of the Interior Privacy Act regulations and the Bureau of Reclamation Federal Register Privacy Act System of Records Notice (Interior/WBR-31, Acreage Limitation) which govern the maintenance, safeguarding, and disclosure of information contained in the landholders’ certification and reporting records.

(d) The Contracting Officer shall designate a full-time employee of the Bureau of Reclamation to be the System Manager responsible for making decisions on denials pursuant to 43 C.F.R. §§ 2.61 and 2.64 and amendment requests pursuant to 43 C.F.R. § 2.72.

(e) The Contractor is authorized to grant requests by individuals for access to their own records.

(e) The Contractor shall forward promptly to the System Manager each proposed denial of access under 43 C.F.R. § 2.64 and each request for amendment of records filed under 43 C.F.R. § 2.71; notify the requester accordingly of such referral; and provide the
System Manager with information and records necessary to prepare an appropriate response to the requester. These requirements do not apply to individuals seeking access to their own certification and reporting forms filed with the Contractor pursuant to 43 C.F.R. § 426.18 unless the requester elects to cite the Privacy Act as authority for the request.

**MEDIUM FOR TRANSMITTING PAYMENTS**

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

**CONTRACT DRAFTING CONSIDERATIONS**

46. This contract has been, negotiated and reviewed by the parties hereto, each of whom is sophisticated in the matters to which this contract pertains. The double spaced Articles of this contract have been drafted, negotiated, and reviewed by the parties, and no one party shall be considered to have drafted the stated articles.

22. **Article 12 in the First Amendment titled PRESERVATION OF EXISTING CONTRACT** is replaced by the following Article 47 in its entirety:

**PRESERVATION OF EXISTING CONTRACT**

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

**EFFECTIVE DATE**

This Second Amendment to the Existing Contract shall be effective on the date first written above.
IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment to Contract No. 7-07-20-W0023B on the day and year first above written.

THE UNITED STATES OF AMERICA

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

SANTA CLARA VALLEY WATER DISTRICT

By: ___________________________
Chair, Board of Directors

ATTEST:

By: ___________________________
Clerk/Board of Directors
EXHIBIT E
Placeholder page
EXHIBIT F
Placeholder page
EXHIBIT G
Points of Delivery
Placeholder page