DRAFT AGREEMENT R22MA13713

BETWEEN

THE UNITED STATES OF AMERICA DEPARTMENT OF THE INTERIOR BUREAU OF RECLAMATION

AND OCHOCO IRRIGATION DISTRICT

TO TRANSFER TITLE TO FEDERALLY OWNED FACILITIES, INTERESTS, AND LANDS ASSOCIATED WITH THE CROOKED RIVER PROJECT

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Exhibits:

- Exhibit A OID Board of Directors Resolution
- Exhibit B Disposition of Project Facilities (Project Map)
- Exhibit C Eligible Facilities (Fee Parcels)
- Exhibit D Eligible Facilities (Rights of Way and Easements)
- Exhibit E Project Facilities to be Retained by Reclamation
- Exhibit F Valuation Memorandum
- Exhibit G Bonneville Power Administration Letter Concerning Irrigation Assistance
- Exhibit H Quitclaim Deed
- Exhibit I Supplemental Contract for the Supply of Project Use Power

Exhibit J – Finding of No Significant Impact

Exhibit K – CERCLA Release of Liability

Exhibit L – Notice to Congress

1. PREAMBLE

THIS AGREEMENT is made this _____ day of _____, 2022, pursuant to the John D. Dingell, Jr. Conservation, Management, and Recreation Act of 2019, (Pub. L. 116-9, Title VIII, Subtitle A; 133 Stat. 804; 43 U.S.C. 2902, et seq.) (hereinafter referred to as "Dingell Act"); Act of June 17, 1902 (Ch. 1093, 32 Stat. 388) and acts supplementary thereto or amendatory thereof (hereinafter referred to as the "Federal Reclamation Laws") between the UNITED STATES OF AMERICA (hereinafter referred to as the "United States"), acting through the Department of the Interior Bureau of Reclamation (hereinafter referred to as "Reclamation"), and the OCHOCO IRRIGATION DISTRICT (hereinafter referred to as the "District"), organized and existing under the laws of the State of Oregon, with its principal place of business and office in Prineville, Oregon.

2. RECITALS

- a. The Dingell Act authorizes the transfer of title to eligible Reclamation project facilities to qualifying entities on the completion of repayment of capital costs without further authorization from Congress; and
- b. The Crooked River Project (hereinafter referred to as "Project") was authorized by the Act of Congress of August 6, 1956 (P.L. 84-992, 70 Stat. 1058-9) and; amended by the Act of Congress of September 14, 1959 (P.L. 86-271, 73 Stat. 554) and; extended by the Act of Congress of September 18, 1964 (P.L. 88-598, 78 Stat. 954) and; extended by the Act of Congress of December 18, 2014 (P.L. 113-244, 128 Stat. 2864); and
- c. When the United States constructed the Project, the United States acquired lands, rights-of-way, and easements under rights reserved under State Law, Federal Reclamation Laws, and the Act of August 30, 1890, and amendments thereof and supplemental thereto (hereinafter referred to as the "Canal Act"); and
- d. The District is an irrigation district organized on February 5, 1916 and recognized under Oregon Revised Statutes chapter 545, and responsible for the delivery of irrigation water to approximately 20,062 acres of irrigable land within the District; and
- e. In accordance with the authorizing legislation for the Project, the District and the United States entered into Repayment Contract No. 14-06-100-1436 executed on April 2, 1958; Supplemental Contract No. 14-06-100-2551 dated September 7, 1962; Amendatory Repayment Contract No. 14-06-100-5514 executed on May 19, 1966; Second Amendatory Repayment Contract No. 14-06-100-6321 dated August 1, 1968; and Amendment No. 3 to Contract No. 14-06-100-1436 executed on June 20, 1986 for the repayment of the District's allocated share of the Project construction costs and transfer of operation, maintenance, and care in accordance with Reclamation laws; and
- f. In addition to the repayment provisions in the contracts identified above, Repayment Contract No. 14-06-100-1436 executed on April 2, 1958; Supplemental Contract No. 14-06-100-2551 dated September 7, 1962; and Amendatory Repayment Contract No. 14-06-100-5514 executed on May 19, 1966, provide for the transfer of operation and maintenance responsibility of the Project Facilities to the District; and
- g. The District passed a resolution on October 19, 2020 to begin partial transfer of title to the Project Facilities associated with the water distribution system for the Project; and

- h. The District and the United States executed Memorandum of Agreement (hereinafter referred to as "MOA") R21MA13717, on June 21, 2021, defining the roles and responsibilities related to accomplishing title transfer of eligible facilities; and
- i. The District passed a resolution on June 23, 2022, to verify and approve for submission to the Commissioner of Reclamation and to Congress the draft final title transfer agreement package which includes the Title Transfer Agreement, Transfer Eligibility Report, quitclaim deed, and Supplemental Project Use Power Contract (see attached Exhibit A).

NOW THEREFORE, it is hereby mutually agreed as follows:

3. SCOPE OF CONTRACT

This contract is supplemental to the contracts between the District and the United States dated April 2, 1958, Contract No. 14-06-100-1436; Supplemental Contract No. 14-06-100-2551 dated September 7, 1962; Amendatory Repayment Contract No. 14-06-100-5514 executed on May 19, 1966; Second Amendatory Repayment Contract No. 14-06-100-6321 dated August 1, 1968; and Amendment No. 3 to Contract No. 14-06-100-1436 executed on June 20, 1986, and except as modified herein, the provisions of those contracts shall remain in full force and effect to the extent they are not inconsistent with the provisions of this contract.

4. **DEFINITIONS**

Unless otherwise noted, the definitions set forth in the Dingell Act at 43 USC § 2902 and the following definitions apply to this Agreement:

- a. "Agreement" means this agreement between the United States and the District.
- b. "District" means the Ochoco Irrigation District, located in central Oregon in Crook County.
- c. "Parties" means both the United States, acting by and through Reclamation, and the District.
- d. "Project" means the Crooked River Project, located in the State of Oregon.

5. DETERMINATIONS REQUIRED

The Dingell Act requires that the United States, acting through Reclamation, make certain findings and determinations regarding the eligibility of the facilities to be transferred and the qualifications of the District. As such Reclamation hereby makes the findings and determinations set forth below or otherwise contained in this Agreement:

a. The District is a qualifying entity under 43 U.S.C. § 2902(5). The District is a lawfully organized political subdivision the State of Oregon and the current operator of the Project Facilities for the water conveyance system for the Project. The District was organized February 5, 1916, and is recognized under Oregon Revised Statutes chapter 545. The District remains organized in this fashion and operates pursuant to equitable rules and regulations adopted for the distribution of water pursuant to the provisions of the Oregon Revised Statutes. The District is the current operator and has been since September 7, 1962, and is responsible for the operation, maintenance, and care of the Project Facilities for the water distribution system for the Project pursuant to Contract No. 14-06-100-1436 executed on April 2, 1958; Supplemental Contract No. 14-06-100-2551 dated September 7, 1962; and Amendatory Contract No. 14-06-100-5514 executed on May 19, 1966. The District has technical and financial capacity to, and intends to, continue to operate, maintain, and care for the Project Facilities to be Transferred for the same purposes for which the

- property has been managed under the Federal Reclamation Laws in conjunction with the water distribution system for the Project.
- b. The Project facilities to be transferred are eligible facilities under 43 U.S.C. § 2902(2), (3) and 2903. Reclamation has screened the Project Facilities illustrated in Exhibit B by an examination in the field and of the records of Reclamation and the District, as well as by the historic and current uses and determined the facilities included in Exhibits C and D are eligible for transfer pursuant to the Pub. L. 116-9. Reclamation will retain the Project Facilities included in Exhibit E. The eligibility requirements for the facilities to be included in a title transfer set forth in the Dingell Act and agency policy are met and reflected as determinations or conditions of this Agreement.
- c. Repayment Obligations. The present value compensation due for Eligible Facilities is \$1,003,884.22, as described in Exhibit F. The entirety of compensation amount due is associated with District costs allocated to irrigation that are scheduled to be repaid as irrigation assistance from power revenues, which the Bonneville Power Administration (BPA) has agreed to pay earlier than presently scheduled in order to facilitate this title transfer. See BPA letter of April 20, 2022, attached as Exhibit G. The District achieved its final payment on March 21, 2019; therefore, there are no remaining construction costs obligations associated with the District's repayment contracts. These values are taken into account in the "Consideration for Title" due at title transfer described in Section 6(a)(iii) below.
- d. Consultation. This Agreement has been developed in consultation with any existing water and power customers affected by the conveyance of the Eligible Facilities in accordance with 43 U.S.C. § 2903(a)(2). The only existing water and power customers affected by the conveyance of the Eligible Facilities are the Project beneficiaries who directly benefit from the Project, which are represented by the elected Ochoco Irrigation District Board of Directors, which is in support of this transfer as reflected by its June 23, 2022, Resolution.
- e. <u>No Unmitigated Environmental Effect.</u> The environmental review process described below in Section 7 of this Agreement confirms there is no unmitigated environmental effect associated with this transfer.
- f. <u>Trust Responsibilities</u>. This transfer of title does not affect Reclamation trust responsibilities for any federally recognized Indian tribes. The District is located within the traditional and treaty lands of both the Confederated Tribes of the Warm Springs and the Burnes-Paiute Tribes (collectively "Tribes"). Reclamation began communicating the proposed title transfer to the Tribes early in the analysis and compliance process with letters. Reclamation staff provided updates to the Tribes regarding the Project Facilities to be Transferred to the District and the associated process. The Tribes have not communicated any concerns or disagreements with the transfer of title.
- g. <u>Financial Interest of U.S.</u> The transfer of title is in the financial interest of the United States. Upon review of the Valuation Memorandum, attached as Exhibit F, and associated documentation, Reclamation concludes the transfer is in the financial interest of the United States. In reaching this conclusion, Reclamation considered whether the consideration to be paid to the government plus any additional benefits to the United States equals or exceeds the value of outstanding repayment obligations, and revenue streams to the United States. The Valuation Memorandum demonstrates the compensation of \$1,003,884.22, "is equivalent to the net present value of any repayment obligation, including aid to irrigation, to the United States or other

income stream that the United States derives from the Project Facilities to be Transferred, as of the date of the transfer." Furthermore, Reclamation anticipates that the United States will receive certain unquantified benefits from the transfer in the form of avoided administrative and oversight costs, reduced federal liability arising from ownership of the Project Facilities to be Transferred, and fulfillment of the self-governance objectives of the Reclamation programs.

- h. <u>Treaty Compliance</u>. This transfer of title complies with any applicable international and tribal treaties and agreements and interstate compacts and agreements. Reclamation, in working with the District, beneficiaries, and stakeholders to assess potential adverse impacts to the interests of beneficiaries and stakeholder, has determined no adverse impacts throughout the process and this report.
- i. <u>Public Interest Protected.</u> This transfer of title protects the public aspects of the Project Facilities to be Transferred. Reclamation staff have worked with the District, beneficiaries, and stakeholders to assess potential adverse impacts to the interests of beneficiaries and stakeholders. No adverse impacts have been determined as documented throughout the process.
- j. <u>No Adverse Impact on Water Delivery.</u> This transfer of title will not result in an adverse impact on fulfillment of existing water delivery obligations, consistent with historical operations and applicable contracts. The District will continue to fulfill existing water delivery obligations affirmed by its June 23, 2022, Resolution.
- k. <u>ESA Compliance for Dam and Diversion Works.</u> Reclamation conducted a review of the Eligible Facilities and made the determination that the conveyance action, as proposed, will have no effect to species listed as threatened or endangered under the Endangered Species Act ("ESA"). Further, it was determined there would be no adverse modification to critical habitat. ESA compliance for this transfer is discussed in Section 7(b) below.
- 1. <u>Power Uses Not Affected.</u> The transfer will not adversely impact applicable Federal power rates, repayment obligations, or other Project power uses.

6. COMMITMENTS OF THE PARTIES

- a. The District shall:
 - i. <u>Acceptance of Title.</u> The District shall accept title to the Eligible Facilities "as is" without warranty.
 - ii. Operation of Eligible Facilities. The District shall manage and use the Eligible Facilities for substantially the same purposes for which they are being used at the time of this Agreement. The District shall continue to fulfill existing water delivery obligations, consistent with historical operations and applicable contracts. These commitments were affirmed by a District Board Resolution passed on June 23, 2022 (see attached Exhibit A).
 - iii. Consideration for Title. The District achieved its final payment on March 21, 2019. There are no remaining construction cost obligations associated with the District's repayment contracts. The present value compensation due for Eligible Facilities is \$1,003,884.22, as described in Exhibit F. The entirety of compensation amount due is associated with District costs allocated to irrigation that are scheduled to be repaid as irrigation assistance from power revenues, which BPA has agreed to pay. See BPA letter of April 20, 2022, attached as Exhibit G.

- iv. <u>Cultural Resource Compliance.</u> The National Historic Preservation Act ("NHPA") requirements have been satisfied. Following title transfer the District shall continue to protect any cultural resources by operating in accordance with Oregon Revised Statutes chapter 358.
- v. <u>District Resolution</u>. In a resolution passed on June 23, 2022, the District verified and affirmed its commitment to the Title Transfer of Eligible Facilities, and its eligibility as a qualifying non-Federal entity (see attached Exhibit A).
- vi. <u>Recording.</u> The District, at its own cost, may record a copy of this Agreement including the duly executed deed with the appropriate local jurisdiction as may be necessary.

b. The United States shall:

- i. <u>Transfer of Title.</u> Upon execution of this Agreement, the United States shall transfer all of its right, title, and interest in and to the Eligible Facilities included in Exhibits C and D, as further described herein and pursuant to the terms and conditions herein. (Subsequent to approval of this title transfer BPA's irrigation assistance will be received at the Department of the Treasury; BPA confirmed advance payment as shown in Exhibit G; and this payment is not required before title transfer to the District.) Specifically, Reclamation shall:
 - 1. Quitclaim Deed. Convey to the District by quitclaim deed, all the United States' right, title, and interest in the Eligible Facilities. This shall include all constructed, operated, and maintained irrigation facilities, two (2) parcels of acquired land, and all rights-of-way and easements whether directly acquired, granted or reserved under State Law, or reserved by the Canal Act and exercised or in use by the United States for the presently constructed irrigation facilities; as described in Exhibit H;
 - 2. <u>Assignment.</u> Assign to the District all of its rights, duties, obligations, and responsibilities which exist as a result of third-party authorizations or agreements, including but not limited to the granting of any right to use, cross, or occupy any of the Eligible Facilities, as described in Exhibit D. The District shall honor the identified third-party authorizations and agreements for the length of those agreements or until the parties to the authorizations or agreements modify or terminate them per the terms of said authorizations or agreements. Reclamation agrees to cooperate with the District in identifying and providing to District all third-party authorizations and agreements.
- ii. <u>Description of Eligible Facilities.</u> The Eligible Facilities include the following, as also included in Exhibits C and D:
 - 1. <u>Fee Simple Parcels.</u> All tracts of real property described as Barnes Butte Pumping Plant and Ochoco Dam Borrow Area in Exhibit C, attached hereto and by this reference made a part hereof; TOGETHER WITH all improvements and appurtenances thereunto belonging or in anywise appertaining, included but not limited to all buildings and structures, pumping plants, ponds, meters, and fixtures, whether or not permanently attached.
 - 2. <u>Rights-of-Way and Easements.</u> All rights-of-way and easements, whether directly acquired, granted or reserved by state law, or reserved by the Canal

Act or in use by the United States for the presently constructed Project Facilities of the pumping and water conveyance system within the irrigation delivery system of the Project, included in Exhibit D, attached hereto and by reference made a part hereof, together with the right to enter upon the rights-of-way and easements for the purposes of repairing, maintaining, or reconstructing the irrigation, drainage, or other facilities located thereon; TOGETHER WITH all and singular the improvements and appurtenances thereunto belonging or in anywise appertaining, including but not limited to all buildings and structures, pumps, diversions and control structures, meters, fixtures, and improvements thereon whether or not permanently attached thereto, including but not limited to all drains, canals/laterals, pipelines, wasteways, wells, ponds, bridges, and roads located thereon.

- 3. <u>All Interests</u>. All portions of the constructed, operated, and maintained facilities of the pumping and water conveyance system, improvements, and appurtenances thereunto belonging or in anywise appertaining, including but not limited to, all buildings and structures, pumps, diversions, control structures, meters, fixtures, and improvements thereon whether or not permanently attached thereto, including but not limited to all drains, canals/laterals, pipelines, wasteways, wells, ponds, bridges, and roads located thereon, associated with the Eligible Facilities of the Project.
- 4. Additional Interests. To the extent the Parties agree that additional Eligible Facilities, parts of facilities, and/or associated land interests not identified in Exhibits C or D and not excluded from this transfer in Exhibit E, such additional facilities, parts of facilities, and/or associated land interests will, subject to necessary regulatory compliance (e.g. NEPA, NHPA, ESA) activities, if any, and in coordination with involved stakeholders, automatically be considered part of this Agreement and an appropriate deed executed by Reclamation if needed.

c. Both Parties shall:

i. Power Contracts:

- 1. Execute a replacement contract for Project use power to the Eligible Facilities, for continued use of Project use power concurrent or directly after this Agreement and prior to legal documents being executed. The replacement power contract shall be in the form of attached Exhibit I. The conveyances shall not adversely impact applicable Federal power rates, repayment obligations, or other power uses pursuant to 43 USC § 2903(c).
- 2. Execute a replacement contract with the Wheeling Agent for the transmission of power and energy to applicable facilities prior to legal documents being executed.

ii. Water Rights:

1. The United States holds water rights related to the Project. Pursuant to 43 U.S.C. § 2903(c), nothing in this Agreement shall be deemed to convey, promise to convey, or otherwise affect the United States' existing water rights.

- The United States shall retain title to the water rights unless and until a separate agreement is entered into under 43 U.S.C. § 2903(c).
- 2. The United States' water rights may only be used consistent with its permits and certificates as issued by the State of Oregon. The District shall observe the period of use, place of use, and purposes of use associated with the United States' water rights.
- iii. Water Contracts. The United States has entered into Contract No. 5-07-10-W1081 with Rueben and Corrine Sanchez for the supply of stored water in Prineville Reservoir to be diverted at the Crooked River Canal; and the United States has entered into Contract No. 0-07-10-W0789 with Quail Valley Ranch, LLC for irrigation water supply from Prineville Reservoir. Nothing in this Agreement shall be deemed to affect the terms of these contracts or the points of diversion consistent with historical operations and applicable contracts.
- iv. Third-Party Authorizations. Within 90 days following the execution of this Agreement, the District shall coordinate with Reclamation for the transfer and delivery of all third-party authorizations and agreements related to the Eligible Facilities to which the benefits, payments, and responsibilities of the United States arising after the date of the quitclaim deed shall inure to the benefit of and be binding upon the District. Reclamation will provide existing electronic records to the District at no charge. The District shall reimburse the United States for all costs of duplication and delivery.
- v. <u>Record Review.</u> Following the execution of this Agreement, Reclamation shall provide the District reasonable access to all non-privileged United States records pertaining to the design, construction, operation, and maintenance of, and specification for the Eligible Facilities. The District shall notify Reclamation in writing of the specific records it wishes to have copied. Reclamation shall provide one copy each of all identified records following the receipt of said request from the District. Reclamation will provide existing electronic records to the District at no charge. The District shall reimburse the United States for all costs of any requested duplication and delivery.
- vi. Federal Divestiture. Upon the transfer of the Eligible Facilities, these facilities will no longer be considered part of a Reclamation Project, and Reclamation will be entirely divested of all rights, interest, and responsibilities related to the Eligible Facilities as described in this Agreement within the Project. The only benefits the District will be eligible for are (1) Project use power in accordance with the supplemental power contract shown in Exhibit I, and (2) any benefit that would be available to a similarly situated entity with respect to property that is not a part of a Reclamation Project. Further, the Eligible Facilities shall no longer be authorized for Federal use and shall no longer be held in Federal ownership, control, or jurisdiction.
- vii. <u>Liability.</u> Effective on the date and time of Title Transfer, the United States shall not be held liable by any court for damages of any kind arising out of any act, omission, or occurrence relating to the transferred facilities other than damages caused by acts of negligence committed by the United States or by agents or employees of the United States, subject to the provisions of the Federal Tort Claims Act. 28 USC §§ 2671 et. seq. Nothing in this Section increases the liability of the United States beyond that currently provided in the Federal Tort Claims.

- viii. Officials Not to Benefit. No Member of or Delegate to the Congress, Resident Commissioner, or official of the District will be admitted to any share or part of the Agreement or to any benefit that may arise out of it other than as a water user in the same manner as other water users.
- ix. <u>Freedom of Information Act.</u> Any information furnished to Reclamation under this Agreement is subject to the Freedom of Information Act (5 U.S.C. § 552).
- x. <u>Compliance with Laws and Regulations.</u> Following title transfer, the District shall continue to comply with all applicable Federal, state, and local laws and regulations.
- xi. Severability. If any one or more provisions contained in the Agreement is, for any reason, held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect any other provisions of this Agreement. This Agreement is to be construed as if such invalid, illegal, or unenforceable provisions had never been contained in this Agreement, unless the deletion of such provision or provisions would result in such a material change so as to cause the fundamental benefits afforded the Parties by this Agreement to become unavailable or materially altered.
- xii. <u>Non-assignability</u>. This Agreement and the rights and obligations hereunder are not assignable without the express written consent of the Parties.

7. COMPLIANCE WITH FEDERAL LAW

The Dingell Act, 43 U.S.C. § 2907, provides that before conveying an eligible facility to a qualifying entity, the Secretary shall comply with applicable Federal environmental laws, including the following:

- a. The National Environmental Policy Act of 1969 (42 U.S.C. § 4321 et seq.) ("NEPA"). The NEPA requirements have been satisfied and the transfer would not have an unmitigated significant effect on the environment. Reclamation has prepared an Environmental Assessment ("EA") in accordance with the NEPA and the Council on Environmental Quality's ("CEQ") final rule (Federal Register 2020) to document and disclose any potential effects to the quality of the human environment which would result from the proposed change in ownership of these assets. Reclamation has also prepared a Finding of No Significant Impact ("FONSI") to document the determination and provide a rationale for approving the selected alternative. The FONSI was prepared by Reclamation subject matter experts, and was fully reviewed and approved by Reclamation management on April 12, 2022, as shown in Exhibit J.
- b. The Endangered Species Act of 1973 (16 U.S.C. § 1531 et seq.) ("ESA"). Reclamation conducted a review of the Eligible Facilities and made the determination that the conveyance action, as proposed, will have no effect to species listed as threatened or endangered under the ESA. Further, it was determined there would be no adverse modification to critical habitat. Additional information on this determination can be found in the FONSI (see attached Exhibit J).
- c. The National Historic Preservation Act of 1966 (54 U.S.C. § 300101 et seq.) ("NHPA"). The NHPA requirements have been satisfied. In accordance with NHPA, Reclamation has worked with the District, the Oregon State Historic Preservation Officer ("SHPO"), and Tribes to complete consultation on the proposed Title Transfer. The Natural Resources Conservation Service ("NRCS") was also included in this consultation due to the overlap of the District Title Transfer areas of potential effect ("APE") and the NRCS Modernization Project APE. This consultation included field surveys of all above-ground buildings and structures, and an intensive inventory of all fee title lands proposed for transfer from federal jurisdiction.

On February 23, 2022, the SHPO concurred with the agencies' Built Environment evaluation determination of Not Eligible for the National Register of Historic Places for the District as a whole. Therefore, alteration of conveyance features or transfer of federal easements will result in a No Adverse Effect to Historic Properties determination for purposes of the NHPA. The SHPO did not respond within the 30-day response timeframe for the archaeological survey. 36 CFR 800.5(c)(1) allows the agency official to proceed after the close of the 30-day review period if the SHPO has not provided a response. The one historic archaeological site located within the District Title Transfer APE is determined by the agency to be not eligible and not considered a historic property. The proposed title transfer will result in a No Adverse Effect to Historic Properties determination for purposes of the NHPA. While Reclamation would be divesting of interest in the Eligible Facilities, if the District seeks federal funding from Reclamation for any future projects, including capital improvements, then the resulting federal nexus would require Reclamation to conduct environmental compliance reviews, including evaluating potential impacts to cultural resources. This would include project-specific coordination and consultation with the SHPO, Tribes, and other interested parties under Section 106 of the NHPA.

d. The Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9601 et seq.) (CERCLA). The CERCLA requirements have been satisfied. Reclamation completed a Low-Intensity Real Property Questionnaire Checklist for parcels of land requested for transfer. The environmental transaction screenings included site visits and a search of Reclamation and District files. The screenings and completion of the report and checklists were performed in conformance with the scope and limitations of American Society for Testing and Materials ("ASTM") Practice E1528-14, Reclamation Manual Directive and Standards LND 08-02, and other applicable Reclamation standards. Based on the checklists, there was no evidence of recognized environmental conditions in connection with the Eligible Facilities. In addition, the Natural Resource Specialists completing the checklists determined the risk of contamination was low. On April 4, 2022 the District passed a Board Resolution, releasing the United States from liability for any hazardous materials located within or on the Eligible Facilities, and agreeing that if the transfer is completed that the District is the potentially responsible Party and will accept the premises and appurtenances "as is," as shown in Exhibit K.

8. EFFECT OF TRANSFER OF TITLE ON THE EXISTING CONTRACT TERMS

- a. Reclamation will continue to deliver water under the existing water rights to places of use as identified in those rights. Water deliveries will be subject to any relevant terms under contracts existing between Reclamation and the District.
- b. The Parties acknowledge that upon receipt of considerations for this title transfer as set forth in Section 6(a)(iii) above any obligations relating to the construction or repayment of construction costs for Eligible Facilities under this Agreement will be fulfilled.
- c. The District will own and be solely responsible for the operations and maintenance costs of all Eligible Facilities under this Agreement at no expense to the United States. The Parties acknowledge that following title transfer, the Eligible Facilities will no longer be considered part of the Crooked River Project.
- d. The delivery of power shall be governed by the supplemental power contract in the form of attached Exhibit I.

e. The Parties agree that by Reclamation retaining the Project Facilities included in Exhibit E, terms of the Repayment Contract, as amended, and the supplemental contracts identified in Sections 2(e) and 2(f) do have ongoing relevance following the title transfer of the Eligible Facilities.

9. CONGRESSIONAL NOTICE OF TITLE TRANSFER

Notice to Congress. Pursuant to 43 U.S.C. § 2903, on _______, 2022, Reclamation submitted to Congress the required written notice of this proposed title transfer indicating Reclamation will convey all right, title, and interest of the United States in and to the District subject to the terms and conditions included in this Title Transfer Agreement unless Congress enacts a joint resolution disapproving the conveyance within 90 days of notice (see attached Exhibit L). Congress has not passed a joint resolution rejecting this transfer of title to the District. Therefore, Reclamation is authorized to enter into this Agreement.

10. NOTICES

a. <u>Principal Contacts.</u> The principal contacts for any notice or request authorized or required by this Agreement will be as follows:

Columbia-Cascades Area Office Manager Bureau of Reclamation 1917 Marsh Road Yakima, WA 98901 509-573-8000

District Manager Ochoco Irrigation District 1001 NW Deer St. Prineville, OR 97754 541-447-6449

- b. <u>Notices in Writing.</u> All notices given under this Agreement shall be in writing and may be delivered by personal delivery; electronic mail (e-mail); via recognized delivery services such as United Parcel Service ("UPS") or Federal Express ("FedEx"); or by deposit in the United States Postal Service ("USPS").
- c. <u>Change of Principal Contact.</u> The designation of the principal contact addressee or the address may be changed by notice given to the other Party.

11. SIGNATURES

their acceptance of the terms of this Agr	reement.					
Camille Calimlim Touton, Commissione U.S. Bureau of Reclamation United States of America	er	Date				
DISTRICT OF COLUMBIA) : §)						
On the day of, 2022,, personally appeared before me, known to me to be the official of the UNITED STATES OF AMERICA that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said United States, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute said instrument. IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first						
above written.	into set my nand and	arrixed my ornicial seal the da	y and year first			
	Notary Public in	and for the District of Colum	bia			
	Residing at:					
	My commission	expires:				

IN WITNESS THEREOF, the authorized signatures for the United States and the District below signify

IN WITNESS THEREOF, the their acceptance of the terms	<u> </u>	e United States and the District below signify	y
Bruce Scanlon, Manager Ochoco Irrigation District		Date	
STATE OF OREGON) : §		
County of Crook)		
within and foregoing instrum	ent and acknowledged said ins t, for the uses and purposes th	, personally appea O IRRIGATION DISTRICT that executed the astrument to be the free and voluntary act and herein mentioned, and on oath stated that he/	1
IN WITNESS WHEREOF, I above written.	have hereunto set my hand an	nd affixed my official seal the day and year f	irst
	Notary Public	e in and for the State of Oregon	
(SEAL)	Residing at: _		
	My commission	ion expires:	