

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION  
Central Valley Project, California

**AGREEMENT BETWEEN**  
**THE UNITED STATES AND**  
**THE SAN LUIS & DELTA-MENDOTA WATER AUTHORITY**  
**FOR THE MANAGEMENT OF THE EXPANDED SAN LUIS RESERVOIR**  
**AND COST SHARE OF CHARGES**  
**ASSOCIATED WITH RAISING OF THE B.F. SISK DAM**  
**AND INCREASED STORAGE CAPACITY**  
**OF THE FEDERALLY ADMINSTERED SAN LUIS RESERVOIR**

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OF THE FEDERALLY ADMINISTERED SAN LUIS RESERVOIR**

1           THIS AGREEMENT, made this \_\_\_\_ day of \_\_\_\_\_, 2024, pursuant  
2 to the Reclamation Act of 1902 as amended (32 Stat. 388; 43 U.S.C. Part 391); including the Act  
3 of February 21, 1911 (36 Stat. 925), the Reclamation Project Act of 1939, as amended (53 Stat.  
4 1187; 43 U.S.C. Part 485); the San Luis Act of 1960, as amended (Public Law 86-488, 74 Stat.  
5 156); the Reclamation Safety of Dams Act of 1978 (Public Law 95-578, 92 Stat. 2471); the  
6 Reclamation Reform Act of 1982, as amended (Public Law 97-293, 96 Stat. 1261); and Section  
7 305 of the Reclamation States Emergency Drought Relief Act of 1991, enacted March 5, 1992  
8 (106 Stat. 59), the Central Valley Project Improvement Act of 1992, as amended (Public Law  
9 102-575, 106 Stat. 4706); and the Water Infrastructure Improvement for the Nation Act of 2016  
10 (Public Law 114-322, 130 Stat. 1865); made between the UNITED STATES BUREAU OF  
11 RECLAMATION hereinafter the United States or Reclamation, and represented by the officer

12 executing this Agreement, hereinafter referred to as the Contracting Officer, and the SAN LUIS  
13 & DELTA-MENDOTA WATER AUTHORITY, hereinafter referred to as the Authority,  
14 individually referred to as “Party” and collectively referred to as “Parties”.

#### 15 **EXPLANATORY RECITALS**

16 [1<sup>st</sup>] WHEREAS, the United States has constructed and is operating the Central Valley  
17 Project (“CVP”) for diversion, storage, carriage, and distribution of waters of the Sacramento  
18 River, the American River, the Trinity River, and the San Joaquin River and their tributaries for  
19 irrigation and other beneficial uses to serve CVP purposes; and

20 [2<sup>nd</sup>] WHEREAS, the United States holds title, and plans to continue to hold title to the  
21 B.F. Sisk Dam and San Luis Reservoir and authorized features of the San Luis Unit as provided  
22 for in the San Luis Act of 1960; and

23 [3<sup>rd</sup>] WHEREAS, the San Luis Act of 1960 (Public Law 86 – 488, 74 Stat. 156)  
24 authorized the Secretary of the Interior to construct, operate, and maintain an afterbay, forebay,  
25 conveyance facilities, and dam and Reservoir for the joint use by the State of California and the  
26 United States, and as provided in Section 2 of the Act, the Secretary was authorized to enter into  
27 an agreement with the State of California to provide for the coordinated operation of the San  
28 Luis Unit, which resulted in a 1961 Joint Coordination Agreement and subsequent amendatory  
29 and supplemental agreements of 1972 and 1997; and

30 [4<sup>th</sup>] WHEREAS, the United States was authorized to construct the San Luis Unit of  
31 the CVP, a joint use project, shared with the State of California and administered through the  
32 Department of Water Resources, hereinafter referred to as, (“DWR”) the operations of which are  
33 coordinated between Reclamation and DWR consistent with the 1961 Agreement and all  
34 supplements and amendments; and

35 [5<sup>th</sup>] WHEREAS, consistent with the San Luis Act of 1960, Reclamation and DWR  
36 share responsibility for the costs of operation, maintenance, and replacement of B.F. Sisk Dam  
37 and San Luis Reservoir, consistent with the 1961 Agreement Between the United States of  
38 America and The Department of Water Resources of the State of California for the Operation of  
39 the San Luis Unit and all supplements and amendments, Contract No. 14-06-200-9755 (1961  
40 Agreement); and

41 [6<sup>th</sup>] WHEREAS, the CVP and State Water Project, hereinafter referred to as (“SWP”),  
42 share responsibility for coordinating operations of the CVP and SWP and for meeting  
43 Sacramento-San Joaquin Delta water quality objectives and other operational requirements  
44 pursuant to the 1986 Coordinated Operations Agreement between Reclamation and DWR, as  
45 amended; and

46 [7<sup>th</sup>] WHEREAS, Reclamation, in coordination with DWR, initiated extraordinary  
47 maintenance work for the B.F. Sisk Safety of Dams Modification Project to improve the safety  
48 of the continued operation and maintenance of aforementioned dam; and

49 [8<sup>th</sup>] WHEREAS, consistent with Reclamation’s Directives and Standards at CMP 09-  
50 02 and FAC 06-05, Reclamation is authorized to assess the feasibility of increasing San Luis  
51 Reservoir storage capacity in conjunction with the Safety of Dams improvements to determine if  
52 there are additional project benefits and to ensure that it is in the best interest of the United  
53 States; and

54 [9<sup>th</sup>] WHEREAS, in accordance with the Reclamation Safety of Dams Act of 1978  
55 (Public Law 95-578, 92 Stat. 2471) and 43 U.S.C. § 509 b, to develop additional project benefits,  
56 through the B.F. Sisk Dam Safety of Dams Modification Report, in December 2020, the  
57 Expansion Project was determined to be feasible; and

58 [10<sup>th</sup>] WHEREAS, following the finding of feasibility, in accordance with §4007 of the  
59 Water Infrastructure and Improvement for the Nation Act, hereinafter referred to as, (“WIIN”),  
60 (Public Law 114-322), on October 20, 2023, Congress authorized construction and associated  
61 funding for the B.F. Sisk Dam Raise and Reservoir Expansion Project; and

62 [11<sup>th</sup>] WHEREAS, in accordance with Section 4007(e) of the WIIN Act, which  
63 provides “[s]ubject to compliance with State water rights laws, the right to use capacity of a  
64 *federally owned storage project... shall be allocated in such a manner as may be mutually*  
65 *agreed to by the Secretary of the Interior and each party to the agreement,”* the Parties agree that  
66 this Agreement, as may be amended, provides for the mutually agreeable use of the Expanded  
67 Reservoir to the extent consistent with Federal Law; and

68 [12<sup>th</sup>] WHEREAS, the Authority certified, and Reclamation signed, a Record of  
69 Decision on October 20, 2023, for the Environmental Impact Statement/Report entitled B.F. Sisk  
70 Dam Raise and Reservoir Expansion Project, selecting the Dam Raise Alternative; and

71 [13<sup>th</sup>] WHEREAS, consistent with WIIN §4007(b)(2), Reclamation and the Authority  
72 agree to enter into this Agreement for up to 50% Federal share of the costs of the Expansion  
73 Project including, but not limited to, planning, design, and construction, and as further defined in  
74 this Agreement; and

75 [14<sup>th</sup>] WHEREAS, consistent with WIIN §4007(e), Reclamation representing the United  
76 States, and the Authority, through the B.F. Sisk Dam Raise and Reservoir Expansion Project  
77 Activity Agreement, as may be amended or supplemented, representing Investors who will  
78 collectively share in the costs and benefits of the Expansion Project, desire to use the Expansion  
79 Project in a such a manner as may be mutually agreeable to the Parties hereto; and

80 [15<sup>th</sup>] WHEREAS, other agreements and/or contracts necessary for commencing design,  
81 construction, and/or operation of the Expanded Reservoir may be necessary and may be  
82 incorporated into this Agreement, and which may include, but are not limited to, a contributed  
83 funds agreement providing for the contribution of funds from Federal cost share partners  
84 (§4007(b)(3)(b)) and §4011(e)(2)), an OM&R Agreement, a Repayment Contract providing for  
85 repayment of reimbursable obligations (§4007(b)(3)(c) and 4011(e)(2)), as appropriate, a Spend  
86 Plan; and a Coordination Agreement; and which may require further delegation of authority from  
87 the Commissioner of Reclamation to negotiate and make a part of this Agreement; and

88 NOW, THEREFORE, the Parties desire to manage the additional capacity associated  
89 with the expansion of San Luis Reservoir and share in the costs pertaining to the Expanded  
90 Reservoir consistent with and in consideration of the mutual and dependent covenants herein, the  
91 Parties hereto agree as follows:

#### 92 **DEFINITIONS**

93 1. When used herein unless otherwise distinctly expressed, or manifestly  
94 incompatible with the intent of the Parties as expressed in this Agreement, the term:

95 (a) “Acquired Project Water” shall mean Project Water acquired by an  
96 Investor, from another CVP Water Service/Repayment Contractor or, Sacramento River  
97 Settlement Contractor, San Joaquin River Exchange Contractor, or from Reclamation.

98 (b) “Calendar Year” shall mean the period January 1 through December 31,  
99 both dates inclusive.

100 (c) “Contracting Officer” shall mean the Secretary of the Interior's duly  
101 authorized representative acting pursuant to this Agreement or applicable Federal Reclamation  
102 law or regulation.

103 (d) “Contributed Funds Agreement” shall mean the agreement by which the  
104 Authority contributes to the cost of the Expansion Project, entered into pursuant to the Sundry  
105 Civil Appropriations Act of March 4, 1921 (Pub. L. 66-389; 41 Stat. 1404; 43 USC 395).

106 (e) “Coordination Agreement” shall mean the agreement provided for in  
107 subarticle 4(g) of this Agreement.

108 (f) “Expanded Reservoir” shall mean the combined volume of storage in the  
109 Federal Share and the Investor Share of the expanded San Luis Reservoir resulting from the  
110 Expansion Project.

111 (g) “Expansion Project” shall mean the B.F. Sisk Dam Raise and Reservoir  
112 Expansion Project, consistent with the Record of Decision, dated October 20, 2023, as may be  
113 amended or supplemented, which would raise B.F. Sisk Dam an additional ten feet and provide  
114 an additional estimated 130 thousand acre feet (TAF) of storage in San Luis Reservoir.

115 (h) “Federal Share of Expanded Reservoir” shall mean the storage volume of  
116 the Expanded Reservoir commensurate with the Federal level of investment in the Expansion  
117 Project.

118 (i) “Federal Share of Historic Reservoir” shall mean the storage volume of  
119 966 TAF in the Historic Reservoir.



120 (j) “Historic Reservoir” shall mean the total storage volume of 2.028 Million  
121 Acre-Feet (“MAF”) in San Luis Reservoir.

122 (k) “Investor Share of Expanded Reservoir” shall mean the storage volume of  
123 the Expanded Reservoir commensurate with the Investors’ level of investment in the Expansion  
124 Project.

125 (l) “Investors” shall mean those entities and/or organizations that are  
126 represented by the Authority pursuant to the B.F. Sisk Dam Raise and Reservoir Expansion  
127 Project Activity Agreement and all supplements and amendments.

128 (m) “Municipal and Industrial Water Shortage Policy” or “M&I Water  
129 Shortage Policy” shall mean the policy intended to provide clear and objective guidelines on the  
130 water supplies available from the CVP during a Condition of Shortage, as that term is defined in  
131 the Water Service/Repayment Contracts.

132 (n) “Non-Project Water” shall mean all water acquired that has not been  
133 appropriated or acquired by the United States and as further described herein.

134 (o) “Operation, Maintenance and Replacement Agreement” or “OM&R  
135 Agreement” shall mean the agreement between the United States and the Authority providing for  
136 the operation, maintenance, and replacement of the Expansion Project.

137 (p) “Parties” shall mean Reclamation on behalf of the United States and the  
138 Authority on behalf of the Investors.

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

142 (r) “Repayment Contract” shall mean a new contract resulting from the  
143 Expansion Project, if any, the purpose of which is to recover any reimbursable costs, entered into  
144 pursuant to Section 9(c)(1) and/or 9(d) of the Reclamation Project Act of 1939, as amended.

145 (s) “San Luis Reservoir” shall mean the Historic Reservoir and the Expanded  
146 Reservoir.

147 (t) “San Luis Rescheduling Guidelines” shall mean the Rescheduling  
148 Guidelines for the Federal Share of Storage in San Luis Reservoir, Central Valley Project,  
149 California Great Basin Region, dated January 31, 2022, as may be amended or superseded,  
150 which apply only to the Historic Reservoir.

151 (u) “Spend Plan” shall mean the plan provided for in subarticle 3(e) of this  
152 Agreement.

153 (v) “Substantial Completion” shall have the same meaning as defined in FAC  
154 01-05 as amended or supplemented.

155 (w) “Water Master/Manager” shall mean the individual provided for in  
156 subarticle 4(c)(3)(i) of this Agreement.

157 (x) “Year” shall mean the period from and including March 1 of each Calendar  
158 Year through the last day of February of the following Calendar Year.

159 **TERM OF AGREEMENT**

160 2. (a) This Agreement is effective on the date hereinabove written, and will  
161 remain in full force during the duration of the useful life of the Project or until terminated.

162 (b) The Contracting Officer may terminate this Agreement at any time before  
163 the expiration of its term whenever the Contracting Officer determines that the Authority is in  
164 substantial violation of the Agreement as provided in this Article 2(b) or otherwise in violation  
165 of Federal law or Reclamation Policy; provided, that prior to the effective date of any such  
166 termination, the Contracting Officer shall first notify the Authority in writing of, the specific  
167 purported deficiencies of the Authority in carrying out the terms and conditions of this  
168 Agreement. It is the intent of the Parties that disputes be resolved pursuant to this Article 2(b) as  
169 expeditiously as is reasonably possible without the necessity of other relief at law or in equity. If  
170 after the designated representative of the Authority has met with the Contracting Officer or his or  
171 her designated representative and attempt in good faith and with the use of best efforts to resolve  
172 any dispute arising from the purported deficiency an agreement is not reached, the Contracting  
173 Officer may issue a notice of proposed termination, which includes the specific deficiencies of  
174 the Authority's performance under this Agreement. The Authority shall have at least ninety (90)  
175 days from receipt of the written notice of proposed termination to correct all deficiencies referred  
176 to in said written notice. Any termination pursuant to this Article shall be subject to the rights  
177 and obligations of the Parties as more specifically set forth in this Agreement.

178 (c) The United States and the Authority jointly shall review this Agreement,  
179 which review shall be performed at least every five (5) years. A more frequent review will occur  
180 if determined to be appropriate by the Contracting Officer, or if requested by the Authority. The  
181 review shall compare the relative success which each party has had in meeting its objectives,

182 including, but not limited to, the Contributed Funds Agreement, an OM&R Agreement, a  
183 Repayment Contract, a Spend Plan, and a Coordination Agreement, which agreements will be  
184 exhibits to this Agreement. These exhibits may require modification, which will be mutually  
185 agreed upon without amendment to this Agreement.

186 (c) This Agreement may be modified, amended, or terminated upon mutual  
187 agreement of the Parties in writing. All duties and obligations of the Parties under this  
188 Agreement will cease upon termination except as to any provisions that expressly survive the  
189 termination of the Agreement.

190 (d) Nothing contained in this Agreement shall be construed as in any manner  
191 abridging, limiting, or depriving the United States or the Authority or Investors of any means of  
192 enforcing any remedy, either at law or in equity, for the breach of any of the provisions hereof  
193 which it would otherwise have. Any waiver at any time by either Party to this Agreement of its  
194 rights with respect to a default, or any other matter arising in connection with this Agreement,  
195 shall not be deemed to be a waiver with respect to any subsequent default or matter.

### 196 **COST SHARE**

197 3. As provided for in WIIN §4007(b)(2), Reclamation may fund up to 50% of the  
198 Expansion Project costs so long as the benefits from the Expansion Project are commensurate  
199 with the Federal investment.

200 (a) Reclamation has the authority to share up to 50% of the costs of the  
201 Expansion Project; however, Reclamation and the Authority have agreed to an initial 70%  
202 Investor Share of Expanded Reservoir and a 30% Federal Share of Expanded Reservoir.

203 (1) Upon the determination of “Substantial Completion” of  
204 construction of the Expansion Project, Reclamation and the Authority will meet and confer  
205 within a reasonable time frame to complete a final accounting of Expansion Project benefits to  
206 determine and mutually agree upon final storage benefits of the Expansion Project and the  
207 allocation to Reclamation and the Authority. The final storage benefits attributable to the Parties  
208 will be documented in an exhibit to this Agreement. Reclamation, in coordination with the  
209 Authority, will assess the Expansion Project costs and make a determination of which Expansion  
210 Project costs are reimbursable and which Expansion Project costs are non-reimbursable.

211 (b) Eligible Expansion Project costs are as follows and will be shared in  
212 accordance with Article 3(a)(1) of this Agreement:

213 (1) The Parties have reviewed the Expansion Project costs incurred by  
214 the Authority and the Investors and Reclamation prior to the effective date of this Agreement.  
215 The Parties acknowledge and agree that the Investors have incurred costs totaling \$\_\_\_\_\_   
216 and Reclamation has incurred costs totaling \$\_\_\_\_\_, which allowable amounts will be credited  
217 to each Party’s cost share obligation under this Agreement.

218 (2) Planning Costs: In an effort to reach a finding that the Expansion  
219 Project is feasible, certain planning level investigations were necessary and may continue to be  
220 necessary prior to commencement of construction. Such planning investigations will be  
221 consistent with Reclamation’s Directives and Standards in accordance with CMP 09-02.

222 (3) Environmental Mitigation and Compliance Costs: Either Party may  
223 fund environmental mitigation and compliance activities associated with this Agreement. These  
224 activities may include, but are not limited to, contracts for technical assistance in environmental

225 mitigation, funding of environmental mitigation commitments, and any actions to ensure  
226 consistency with the State California Environmental Quality Act (CEQA) or Federal National  
227 Environmental Policy Act (NEPA) laws and regulations.

228 (4) Cultural Resource Management Costs: Either Party may fund  
229 cultural studies, investigations, and mitigation needs consistent with this Agreement.

230 Reclamation will be responsible for all necessary consultations with state offices, Indian tribes,  
231 and interested parties pursuant to Section 106 of the National Historic Preservation Act of 1966,  
232 as amended. Reclamation will be responsible for compliance and coordination with the Native  
233 American Graves Protection and Repatriation Act of 1990.

234 (5) Permitting Costs: Additional permitting actions prior to  
235 construction of the Expansion Project and prior to declaring the Expansion Project “Substantially  
236 Complete” may be required. The Parties will jointly determine, as appropriate, the appropriate  
237 Party to obtain any necessary permit(s), and the appropriate cost share for the permitting actions.

238 (6) Administrative Costs: Reclamation will reserve sufficient funding  
239 from Federal appropriations to cover its administrative and management costs associated with  
240 the Expansion Project. This amount will be considered part of the overall Federal contribution.  
241 Reclamation will provide an estimate of the administrative costs for this Expansion Project  
242 which will be reviewed with the Authority. The Authority will reserve sufficient funding to pay  
243 for its administrative costs for the non-Federal share of the Expansion Project. These costs will  
244 be considered contributions to the non-Federal share of the Expansion Project and reported  
245 pursuant to subarticle 3(f) of this Agreement. Administrative costs include, unless otherwise  
246 defined by contracts: project management, construction management, accounting and

247 administrative management, legal support and review, travel, general meetings related to the  
248 Expansion Project, contract/agreement technical meetings and negotiations, and other supportive  
249 services and activities necessary for the construction and operation of the Expansion Project  
250 prior to the determination of Substantial Completion.

251 (7) Design Costs: Either party may pay for part or all of various design  
252 costs for the Expansion Project. Reclamation will be responsible for design of the embankment  
253 of the San Luis Reservoir, but the Authority may contribute funds that will count towards the  
254 cost share. There may be the need for modifications during construction that may require further  
255 design work. These costs will be shared in accordance with Article 3(a)(1).

256 (8) Construction Costs: Reclamation will serve as the procurement  
257 agency for, and will manage, the primary construction contract with respect to the embankment  
258 raise. All costs for this contract will be funded directly by Reclamation or with funds  
259 contributed to Reclamation by the Authority or the Investors.

260 (9) Other Design and Construction Costs: Either party may pay for  
261 part, or all of the remaining non-embankment design and construction costs of associated  
262 facilities affected or involved with the Expansion Project including, but not limited to, recreation  
263 facilities, power improvements to existing facilities, improvements to pumps, transportation, and  
264 other various components of the Expansion Project.

265 (c) Reclamation and the Authority have proposed using their collective funds  
266 to fund parts of the Expansion Project. A contributed funds agreement may be necessary to help  
267 facilitate transfer of funds to Reclamation from the Authority. Such an agreement, if needed, will  
268 be an exhibit to this Agreement. Any funds contributed to Reclamation for the Expansion Project

269 will be considered part of the cost of this Expansion Project and shared in accordance with  
270 Article 3(a)(1).

271 (d) There may be times when Reclamation provides funds to the Authority.  
272 These funds will be provided through a financial assistance agreement as provided for in  
273 §4007(b) of WIIN. Any funds provided to the Authority for the Expansion Project will be  
274 considered part of the cost of this Expansion Project and shared in accordance with Article  
275 3(a)(1).

276 (e) Within sixty (60) days of the execution of this Agreement, if not before,  
277 Reclamation and the Authority will develop a Spend Plan containing mutually agreeable terms to  
278 track costs and account for funds expended. The Spend Plan will be an exhibit to this Agreement.

279 (f) Reclamation and the Authority will establish, at a minimum, quarterly  
280 check-ins regarding costs expended for the Expansion Project and to discuss other items,  
281 including but not limited to, funding and any additional financial agreements.

282 (g) Repayment: As currently formulated, Reclamation does not anticipate the  
283 need for a Repayment Contract for repayment of costs associated with the design and  
284 construction of the Expansion Project. Reclamation and the Authority will, at the quarterly  
285 check-ins described in sub-article (f) above, review the need for a Repayment Contract. If a  
286 Repayment Contract is necessary, Reclamation will seek delegated authority from the  
287 Commissioner to negotiate and execute said contract, which will be an exhibit to this Agreement.  
288 The Parties will closely monitor the potential for reimbursable costs and the need for a  
289 Repayment Contract and conduct any necessary financial analysis, in accordance with PEC 11-  
290 01, prior to executing any such contract.



291 (1) It is anticipated that the Federal share of costs associated with the  
292 Expansion Project will be used for purposes deemed to be non-reimbursable, therefore the  
293 Federal share of costs associated with the Expansion Project will be non-reimbursable.

294 (2) If reimbursable benefits are identified upon the final allocation of  
295 costs, Reclamation will establish appropriate recovery of said reimbursable costs consistent with  
296 Reclamation law and policy.

297 **MANAGEMENT OF EXPANDED RESERVOIR**

298 4. Responsibility for the costs of operation, maintenance, and replacement of B.F.  
299 Sisk Dam and San Luis Reservoir will continue to be governed by agreements between the  
300 United States and the State of California; the Authority and the Investors shall neither execute  
301 nor be a party to any agreement with the State of California for the operation and maintenance of  
302 the B.F. Sisk Dam and the Historic Reservoir or the Expanded Reservoir.

303 (a) The Parties will draft and finalize an OM&R Agreement for the Expansion  
304 Project, including plans to cover the costs for the OM&R resulting from the Expansion Project,  
305 prior to the first entry of any water subject to this Agreement into any CVP facilities. All future  
306 OM&R costs associated with the Expansion Project will be commensurate to each Party's final  
307 investment.

308 (b) Nothing in this Agreement shall imply or convey any rights or process to  
309 the Authority, the Investors, or their assignees for rights or privileges to water or operations in  
310 the Federal Share of the Expanded Reservoir or the Historic Reservoir and the Authority agrees  
311 that it shall not seek these rights outside of this Agreement.

312 (c) The Parties agree that Reclamation and DWR retain the sole discretion  
313 over the operations of the Historic Reservoir and any water pumped into the Historic Reservoir.  
314 Operations of the Expanded Reservoir will be consistent with existing laws, agreements, and  
315 obligations and pursuant to the terms of this Agreement and in consultation with the Investors  
316 through the Water Master/Manager.

317 (d) Federal Share of Expanded Reservoir: The management of any water in  
318 the Federal Share of the Expanded Reservoir is at the sole discretion of Reclamation and will be  
319 managed in such a way to be consistent with State and Federal law and existing and future  
320 agreements, guidelines, and programs for Federal benefits.

321 (e) Investor Share of Expanded Reservoir: Investors agree to use the  
322 Investor Share of the Expanded Reservoir consistent with the terms of this Agreement, and the  
323 Parties agree that the Investors possess the ability to partner with non-Investor parties regarding  
324 the use, marketing, and/or lease of capacity within the Investor Share of the Expanded Reservoir  
325 and/or the storage of water in the Investor Share of the Expanded Reservoir. The Investors shall  
326 indemnify the United States, its officers, employees, and agents of damage or claim of any nature  
327 whatsoever for which there is any legal responsibility derived from these third-party agreements.  
328 Any water in the Investor Share of the Expanded Reservoir will not be displaced by filling of the  
329 Historic Reservoir. Reclamation may allow Non-Project Water, Acquired Project Water, or  
330 Project Water to fill the Investor Share of the Expanded Reservoir, as requested by the Investors,  
331 in coordination with the Water Master/Manager. Non-Project Water, Acquired Project Water,  
332 and Project Water may be stored in the Investor Share of the Expanded Reservoir and moved out  
333 of the Investor Share of the Expanded Reservoir subject to the terms of this Agreement. If an  
334 Investor has any water type available to it and if the capacity is available, upon Reclamation's

335 determination, to move into the Investor Share of the Expanded Reservoir at the same time that  
336 Reclamation has Project Water available to it to fill the Expanded Reservoir, the Investor may  
337 determine which water type will be (or is) stored on its behalf in the Investor Share of the  
338 Expanded Reservoir.

339 (1) Non-Project Water

340 (i) With the exception of State Water Project water that may  
341 already exist in San Luis Reservoir and/or is conveyed through the State Water Project or under  
342 agreement with Reclamation, and Non-Project Water that may already exist in the Historic  
343 Reservoir, Non-Project Water is subject to a contract for the use of excess conveyance capacity  
344 in Federal facilities, pursuant to the Warren Act (Act of February 21, 1911 (36 Stat. 925)), in  
345 order to convey Non-Project Water to or from San Luis Reservoir.

346 (ii) Storage of Non-Project Water in the Investor Share of the  
347 Expanded Reservoir will not require a Warren Act Contract. However, any water that is stored in  
348 the Investor share of the Expanded Reservoir that may be moved into and accounted for in the  
349 Historic Reservoir will require a Warren Act Contract for storage in the Historic Reservoir.

350 (iii) In order to store Non-Project Water in the Investor Share of  
351 the Expanded Reservoir, the Investors may move Project Water out of the Investor Share of the  
352 Expanded Reservoir in the following way in order of priority:

353 (i) Project Water moves from Investor Share of  
354 Expanded Reservoir to Historic Reservoir unless  
355 Historic Reservoir is full;

356 (ii) If Historic Reservoir is full, then goes to  
357 Reclamation share of Expanded Reservoir; and  
358 (iii) If no space is in Reclamation Share of Expanded  
359 Reservoir, Project Water can be marketed subject to  
360 applicable statutes, regulations, guidelines, and  
361 policies.

362 (iv) For the purpose of this Agreement and consistent with the  
363 San Luis Rescheduling Guidelines, unless otherwise amended, San Joaquin River Restoration  
364 water recaptured consistent with permits issued by the State Water Resources Control Board, if  
365 acquired by an Investor or a non-Investor party through agreement with an Investor, will be  
366 treated as having the same priority as Non-Project Water and may be storable in the Investor  
367 Share of the Expanded Reservoir if acquired by an Investor.

368 (v) The Parties agree that Non-Project Water stored in the  
369 Investor Share of the Expanded Reservoir will not be subject to the San Luis Rescheduling  
370 Guidelines, and will not “spill” when the Historic Reservoir fills; further, Reclamation will not  
371 use Non-Project Water to meet authorized CVP purposes as defined in subarticle 4(e)(4) of this  
372 Agreement until: (1) all available Federal supplies have been used by Reclamation, and (2) the  
373 Parties first mutually agree in writing to water or monetary compensation, subject to  
374 appropriations, or a combination thereof, prior to its use.

375 (vi) M&I Shortage - Non-Project Water in the Investor Share of  
376 the Expanded Reservoir will not be subject to nor accounted against an Investor’s available

377 water, as contemplated in the M&I Water Shortage Policy, as may be amended or superseded, to  
378 meet minimum public health and safety needs.

379 (2) Acquired Project Water

380 (i) In order to store Acquired Project Water in the Investor  
381 Share of the Expanded Reservoir, the Investors may move Project Water out of the Investor  
382 Share of the Expanded Reservoir in the following way in order of priority:

383 (i) Project Water moves from Investor Share of  
384 Expanded Reservoir to Historic Reservoir unless  
385 Historic Reservoir is full;

386 (ii) If Historic Reservoir is full, then goes to  
387 Reclamation share of Expanded Reservoir; and

388 (iii) If no space is in Reclamation Share of Expanded  
389 Reservoir, Project Water can be marketed subject to  
390 applicable statutes, regulations, guidelines, and  
391 policies.

392 (ii) The Parties agree that Acquired Project Water stored in the  
393 Investor Share of the Expanded Reservoir will not be subject to the San Luis Rescheduling  
394 Guidelines, and will not “spill” when the Historic Reservoir fills; further, Reclamation will not  
395 use Acquired Project Water to meet authorized CVP purposes as defined in subarticle 4(e)(4) of  
396 this Agreement until: (1) all available Federal supplies south-of-Delta have been used by  
397 Reclamation, and (2) the Parties first mutually agree in writing to water or monetary  
398 compensation, subject to appropriations, or a combination thereof, prior to its use.

399 (iii) M&I Shortage - Acquired Project Water in the Investor  
400 Share of the Expanded Reservoir will be subject to the M&I Water Shortage Policy.

401 (3) Project Water

402 (i) Article 3(f) Water: Consistent with Article 3(f) of an  
403 Investor's Water Service/Repayment Contract, the Contracting Officer will make Project Water  
404 available to Investors as described below:

405 a. Following the filling of the Federal Share of  
406 Historic Reservoir, Reclamation will make Article 3(f) water available to all south-of-Delta CVP  
407 contractors capable of taking Article 3(f) water.

408 b. Upon making Article 3(f) water available,  
409 Reclamation will fill the Investor Share of the Expanded Reservoir and the Federal Share of the  
410 Expanded Reservoir on a proportionate basis in accordance with this Agreement.

411 1. Reclamation will fill the Expanded  
412 Reservoir until such a time that the Investor Share of the Expanded Reservoir is full or the  
413 Investor Share and the Federal Share of the Expanded Reservoir are full.

414 2. Any Article 3(f) water used to fill a portion  
415 of the Investor Share of the Expanded Reservoir will be allocated to each Investor that has  
416 available capacity in the Expanded Reservoir.

417 3. Water made available under this article and  
418 stored in the Investor Share of the Expanded Reservoir can be scheduled for delivery at a later  
419 date at the discretion of the Investors and subject to available capacity.

420 (ii) Article 3(a) Water: Following the allocation of Water  
421 Made Available under Article 3(a) of an Investor’s Water Service/Repayment Contract, an  
422 Investor may direct the movement of allocated contract supply to the Investor Share of the  
423 Expanded Reservoir, up to the maximum storage capacity of the Investor Share of the Expanded  
424 Reservoir.

425 (iii) The Parties agree that Project Water stored in the Investor  
426 Share of the Expanded Reservoir will not be subject to the San Luis Rescheduling Guidelines,  
427 and will not “spill” when the Historic Reservoir fills. Reclamation, at its discretion, will only use  
428 Project Water in the Investor Share of the Expanded Reservoir to meet authorized CVP purposes  
429 as defined in subarticle 4(e)(4) of this Agreement in coordination with the Water  
430 Master/Manager. If Reclamation uses Project Water stored in the Investor Share of the Expanded  
431 Reservoir to meet CVP purposes, Reclamation shall reimburse or credit the Investors for the  
432 applicable OM&R costs. Therefore, the quantity of Project Water used by Reclamation will be  
433 included in the calculation of that Year’s Federal OM&R cost obligation allocated by DWR for  
434 the Expanded Reservoir and will be included in the calculation for the Authority’s share of  
435 OM&R cost obligation for the Year in which Project Water was used by Reclamation.

436 (4) To the extent the subarticles above reference Reclamation’s ability  
437 to utilize water stored in the Investor Share of the Expanded Reservoir for authorized CVP  
438 purposes under certain circumstances, the Parties agree that “authorized CVP purposes,” as used  
439 herein, include but are not limited to: the unmet minimum deliveries for south-of-Delta San  
440 Joaquin River Exchange Contractors and Settlement Contractors in Shasta Critical Years, the  
441 unmet minimum CVPIA allocation for south-of-Delta Level 2 refuges, and the unmet public

442 health and safety needs as defined by the M&I Water Shortage Policy as may be amended or  
443 superseded.

444 (f) Losses - All water in the Investor Share of the Expanded Reservoir will be  
445 subject to water loss criteria that is applied with proportionality based on ~~actual~~ reservoir losses  
446 caused by evaporation and seepage and charged to Reclamation as part of its joint operations  
447 with DWR.

448 (g) Points of Delivery

449 (1) Any Project Water, as defined by this Agreement, will be delivered  
450 at the point(s) of delivery as specified in the applicable Water Service/Repayment Contract.

451 (2) Any Acquired Project Water or Non-Project Water will be  
452 considered delivered to the Investor's Share of the Expanded Reservoir and will be accounted for  
453 consistent with all applicable State and Federal laws, contracts, and policy.

454 (h) Operation and Maintenance Costs of the San Luis Reservoir – As a result  
455 of the Expanded Reservoir, Reclamation may have an increased share of the cost of the operation  
456 and maintenance of the B.F. Sisk Dam and San Luis Reservoir. The Parties agree that costs will  
457 be paid consistent with existing laws, agreements, and policy, as may be amended or superseded.  
458 Further, the Authority agrees it will specifically pay for OM&R costs associated with the  
459 Investor Share of the Expanded Reservoir; the details regarding such payment and costs will be  
460 defined in an OM&R Agreement, which will be an Exhibit to this Agreement.

461 (i) Coordination – Prior to the operation of the Expanded Reservoir,  
462 Reclamation and the Authority will develop a Coordination Agreement to coordinate and



463 communicate and define roles and responsibilities prior to the storage of water in the Expanded  
464 Reservoir, which will be an Exhibit to this Agreement. The Coordination Agreement will,  
465 among other things:

- 466 (1) Define the frequency of coordination between the Parties.
- 467 (2) Establish a Reclamation approved accounting methodology and  
468 system of accounting for water in the investor share of the Expanded Reservoir;
- 469 (3) Provide for a dispute resolution process.
- 470 (4) Provide for a Water Master/Manager. The Parties agree that a  
471 Water Master/Manager will be provided and paid for by the Authority who will coordinate with  
472 Reclamation regarding the management of any water moving into, stored in, or moving out of  
473 the Investor Share of the Expanded Reservoir, who will account for the water in the Investor  
474 Share of Expanded Reservoir, and who will be responsible for the provisional data and  
475 coordinating with Reclamation on reconciliation at the end of the contract year and prior to  
476 initial allocations of the following Year.

- 477 (i) Describe the methods through which Reclamation will  
478 share forecasting and allocation information with the Water Master/Manager on behalf of the  
479 Authority and through which the Parties will acquire access to conveyance capacity.

480 **EXISTING CONTRACTS**

481 5. Nothing in this Agreement, in any way, alters, changes, or amends the Investors'  
482 existing Water Service/Repayment Contracts with the United States.

483

**DISPUTE RESOLUTION**

484 6. SHOULD ANY DISPUTE ARISE CONCERNING ANY PROVISIONS OF THIS  
485 AGREEMENT, OR THE PARTIES' RIGHTS AND OBLIGATIONS THEREUNDER, THE  
486 PARTIES SHALL MEET AND CONFER IN AN ATTEMPT TO RESOLVE THE DISPUTE.  
487 PRIOR TO THE AUTHORITY COMMENCING ANY LEGAL ACTION, OR THE  
488 CONTRACTING OFFICER REFERRING ANY MATTER TO THE DEPARTMENT OF  
489 JUSTICE, THE PARTY SHALL PROVIDE TO THE OTHER PARTY THIRTY (30) DAYS'  
490 WRITTEN NOTICE OF THE INTENT TO TAKE SUCH ACTION; PROVIDED, THAT SUCH  
491 NOTICE SHALL NOT BE REQUIRED WHERE A DELAY IN COMMENCING AN ACTION  
492 WOULD PREJUDICE THE INTERESTS OF THE PARTY THAT INTENDS TO FILE SUIT.  
493 DURING THE THIRTY (30)-DAY NOTICE PERIOD, THE PARTIES SHALL MEET AND  
494 CONFER IN AN ATTEMPT TO RESOLVE THE DISPUTE. EXCEPT AS SPECIFICALLY  
495 PROVIDED, NOTHING HEREIN IS INTENDED TO WAIVE OR ABRIDGE ANY RIGHT  
496 OR REMEDY THAT THE AUTHORITY OR THE UNITED STATES MAY HAVE.  
497 **WAIVER OF NON-COMPLIANCE WITH ANY PROVISION OF THIS AGREEMENT**

498 7. The waiver by either Party to this Agreement as to any non-compliance with any  
499 provision of this Agreement shall not be construed as a waiver of any other non-compliance with  
500 any provision of this Agreement or as authority of the other Party to continue such non-  
501 compliance with any provision of this Agreement or to make, do, or perform, or not make, do, or  
502 perform, as the case may be, any act or thing which would constitute non-compliance with any  
503 provision of this Agreement.

504

**OPINIONS AND DETERMINATIONS**

505 8. Where the terms of this Agreement provide for actions to be based upon the  
506 opinion or determination of either party to this Agreement, said terms shall not be construed as  
507 permitting such action to be predicated upon arbitrary, capricious, or unreasonable opinions or  
508 determinations. Both Parties, notwithstanding any other provisions of this Agreement, expressly  
509 reserve the right to seek relief from and appropriate adjustment for any such arbitrary, capricious,  
510 or unreasonable opinion or determination. Each opinion or determination by either Party shall be  
511 provided in a timely manner. Nothing in this subdivision (a) of this Article is intended to or shall  
512 affect or alter the standard of judicial review applicable under Federal law to any opinion or

513 determination implementing a specific provision of Federal law embodied in statute or  
514 regulation.

515 (B) THE CONTRACTING OFFICER SHALL HAVE THE RIGHT TO MAKE  
516 DETERMINATIONS NECESSARY TO ADMINISTER THIS AGREEMENT THAT ARE  
517 CONSISTENT WITH THE PROVISIONS OF THIS AGREEMENT, THE LAWS OF THE  
518 UNITED STATES AND OF THE STATE OF CALIFORNIA, AND THE RULES AND  
519 REGULATIONS PROMULGATED BY THE SECRETARY. SUCH DETERMINATIONS  
520 SHALL BE MADE IN CONSULTATION WITH THE AUTHORITY TO THE EXTENT  
521 REASONABLY PRACTICABLE. NOTICES

522 9. Any notice, demand, or request authorized or required by this Agreement shall be  
523 deemed to have been given, on behalf of the Authority, when mailed, postage prepaid, or delivered  
524 to the Regional Director, California Great Basin Region, Bureau of Reclamation, 2800 Cottage  
525 Way, Sacramento, CA, 95825, and on behalf of the United States, when mailed, postage prepaid,  
526 or delivered to the San Luis & Delta-Mendota Water Authority, 842 6<sup>th</sup> Street, Los Banos, CA  
527 93635.

528

#### 529 CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

530 10. The expenditure or advance of any money or the performance of any obligation of  
531 the United States under this Agreement shall be contingent upon appropriation or allotment of  
532 funds. Absence of appropriation or allotment of funds shall not relieve the Authority from any  
533 obligations under this Agreement. No liability shall accrue to the United States in case funds are  
534 not appropriated or allotted.

#### 535 OFFICIALS NOT TO BENEFIT

536 11. No Member of or Delegate to the Congress, Resident Commissioner, or official of  
537 the Authority shall benefit from this Agreement other than as a water user or landowner in the  
538 same manner as other water users or landowners.

#### 539 ASSIGNMENT LIMITED - SUCCESSORS AND ASSIGNS OBLIGATED

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

#### 543 BOOKS, RECORDS, AND REPORTS

544 13. The Authority shall establish and maintain accounts and other books and records  
545 pertaining to administration of the terms and conditions of this Agreement, including the  
546 Authority's financial transactions; water supply data; project operation, maintenance, and  
547 replacement logs; project land and rights-of-way use agreements; the water users' land-use (crop

548 census), land-ownership, land-leasing, and water-use data; and other matters that the Contracting  
549 Officer may require. Reports shall be furnished to the Contracting Officer in such form and on  
550 such date or dates as the Contracting Officer may require. Subject to applicable Federal laws and  
551 regulations, each party to this Agreement shall have the right during office hours to examine and  
552 make copies of the other party's books and records relating to matters covered by this  
553 Agreement.

554 **COMPLIANCE WITH FEDERAL RECLAMATION LAWS**

555 14. The parties agree that the delivery of irrigation water or use of Federal facilities  
556 pursuant to this Agreement is subject to Federal reclamation law, including but not limited to the  
557 Reclamation Reform Act of 1982 (43 U.S.C. 390aa, et seq.), as amended and supplemented, and  
558 the rules and regulations promulgated by the Secretary of the Interior under Federal reclamation  
559 law.

560 **PROTECTION OF WATER AND AIR QUALITY**

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

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

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

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

578 **WATER CONSERVATION**

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

583

**EQUAL EMPLOYMENT OPPORTUNITY**

584 17. The following language is required by Executive Order No. 11246 of September  
585 24, 1965, in all government contracts unless and until it is superseded or amended.

586

During the performance of this Agreement, the Authority agrees as follows:

587

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

597

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

601

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

611

(d) The Authority will send to each labor union or representative of workers  
612 with which he has a collective bargaining agreement or other contract or understanding, a notice,  
613 to be provided by the agency Contracting Officer, advising the labor union or workers'  
614 representative of the Authority's commitments under section 202 of Executive Order No. 11246  
615 of September 24, 1965, and shall post copies of the notice in conspicuous places available to  
616 employees and applicants for employment.

617

(e) The Authority will comply with all provisions of Executive Order No.  
618 11246 of Sept. 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of  
619 Labor.

620 (f) The Authority will furnish all information and reports required by  
621 Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of  
622 the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and  
623 accounts by the Contracting Agency and the Secretary of Labor for purposes of investigation to  
624 ascertain compliance with such rules, regulations, and orders.

625 (g) In the event of the Authority's noncompliance with the nondiscrimination  
626 clauses of this Agreement or with any of such rules, regulations, or orders, this Agreement may  
627 be canceled, terminated or suspended in whole or in part and the Authority may be declared  
628 ineligible for further Government contracts in accordance with procedures authorized in  
629 Executive Order No. 11246 of Sept. 24, 1965, and such other sanctions may be imposed and  
630 remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule,  
631 regulation, or order of the Secretary of Labor, or as otherwise provided by law.

632 (h) The Authority will include the provisions of paragraphs (a) through (h) in  
633 every subcontract or purchase order unless exempted by the rules, regulations, or orders of the  
634 Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of September  
635 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The  
636 Authority will take such action with respect to any subcontract or purchase order as may be  
637 directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions  
638 for noncompliance: Provided, however, that in the event the Authority becomes involved in, or is  
639 threatened with, litigation with a subcontractor or vendor as a result of such direction, the  
640 Authority may request the United States to enter into such litigation to protect the interests of the  
641 United States.

#### 642 **COMPLIANCE WITH CIVIL RIGHTS**

643 18. (a) The Authority shall comply with Title VI of the Civil Rights Act of 1964  
644 (Pub. L. 88-352; 42 U.S.C. § 2000d), the Rehabilitation Act of 1973 (Pub. L. 93-112, Title V, as  
645 amended; 29 U.S.C. § 791, et seq.), the Age Discrimination Act of 1975 (Pub. L. 94-135, Title  
646 III; 42 U.S.C. § 6101, et seq.), Title II of the Americans with Disabilities Act of 1990 (Pub. L.  
647 101-336; 42 U.S.C. § 12131, et seq.), and any other applicable civil rights laws, and with the  
648 applicable implementing regulations and any guidelines imposed by the U.S. Department of the  
649 Interior and/or Bureau of Reclamation.

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

657 (c) The Authority makes this agreement in consideration of and for the  
658 purpose of obtaining any and all Federal grants, loans, contracts, property discounts, or other  
659 Federal financial assistance extended after the date hereof to the Authority by the Bureau of

660 Reclamation, including installment payments after such date on account of arrangements for  
 661 Federal financial assistance which were approved before such date. The Authority recognizes  
 662 and agrees that such Federal assistance will be extended in reliance on the representations and  
 663 agreements made in this article and that the United States reserves the right to seek judicial  
 664 enforcement thereof.

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

667 **CERTIFICATION OF NONSEGREGATED FACILITIES**

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

688

689 NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR  
 690 CERTIFICATIONS OF NONSEGREGATED FACILITIES

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

696 **MEDIUM FOR TRANSMITTING PAYMENTS**

697 17. (a) All payments from the Authority to the United States under this  
 698 Agreement shall be by the medium requested by the United States on or before the date payment

699 is due. The required method of payment may include checks, wire transfers, or other types of  
700 payment specified by the United States.

701 (b) Upon execution of the Agreement, the Authority shall furnish the  
702 Contracting Officer with the Authority's taxpayer's identification number (TIN). The purpose for  
703 requiring the Authority's TIN is for collecting and reporting any delinquent amounts arising out  
704 of the Authority's relationship with the United States.

705 **AGREEMENT DRAFTING CONSIDERATIONS**

706 20. This Agreement has been negotiated and reviewed by the parties hereto, each of  
707 whom is sophisticated in the matters to which this Agreement pertains. Articles [redacted] through [redacted] of  
708 this Agreement have been drafted, negotiated, and reviewed by the parties, and no one party shall  
709 be considered to have drafted the stated articles.

710  
711  
712  
713



