

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 ADMINISTERED SAN LUIS RESERVOIR**

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Exhibit A: Contributed Funds Agreement

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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 [1st] 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 [2nd] 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 [3rd] 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 [4th] 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 [5th] 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 [6th] WHEREAS, Reclamation and DWR share responsibility for coordinating
42 operations of the CVP and the State Water Project, hereinafter referred to as “SWP,” and for
43 meeting Sacramento-San Joaquin Delta water quality objectives and other operational
44 requirements pursuant to the 1986 Coordinated Operations Agreement between Reclamation and
45 DWR, as amended; and

46 [7th] 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 [8th] 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 [9th] 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 [10th] 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 [11th] 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 [12th] 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 [13th] 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 [14th] 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 [15th] 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 Water” shall mean (1) any water acquired from CVP Water
96 Service/Repayment Contractors, CVP Settlement Contractors, San Joaquin River Exchange
97 Contractors, any other CVP contractor, or from Reclamation, in addition to any transfer or
98 exchange that requires an in lieu operational exchange by Reclamation, subject to Contracting
99 Officer approval and (2) any Non-Project Water¹.

¹ Note that this definition excludes water transferred through Reclamation’s Accelerated Water Transfer Program and water exchanged through Article 5(a) of the Cross Valley Contracts.

100 (b) “Authority Managed Share of Expanded Reservoir” shall mean the storage
101 volume of the Expanded Reservoir commensurate with the Investors’ level of investment in the
102 Expansion Project.

103 (c) “Calendar Year” shall mean the period January 1 through December 31,
104 both dates inclusive.

105 (d) “Contracting Officer” shall mean the Secretary of the United States
106 Department of the Interior or his/her duly authorized representative.

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

110 (f) “Coordination Agreement” shall mean the agreement provided for in
111 subarticle 4(j) of this Agreement.

112 (g) “Expanded Reservoir” shall mean the combined volume of storage in the
113 Federal Share and the Authority Managed Share of the expanded San Luis Reservoir resulting
114 from the Expansion Project.

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

119 (i) “Federal Share of Expanded Reservoir” shall mean the storage volume of
120 the Expanded Reservoir commensurate with the Federal level of investment in the Expansion
121 Project.

122 (j) “Federal Share of Historic Reservoir” shall mean the storage volume of
123 966 TAF in the Historic Reservoir.

124 (k) “Historic Reservoir” shall mean the total storage volume of 2.028 Million
125 Acre-Feet (“MAF”) in San Luis Reservoir.

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

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

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

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

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

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

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

146 (s) "San Luis Reservoir" shall mean the Historic Reservoir and the Expanded
147 Reservoir.

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

152 (u) "Shasta Critical Year/Critical Year" shall be consistent with the
153 definitions in Contracts No. 11r-1144 and 14-06-200-855A-R-1.

154 (u) "Spend Plan" shall mean the plan provided for in subarticle 3(e) of this
155 Agreement.

156 (v) "Substantial Completion" shall have the same meaning as defined in FAC
157 01-05 as amended or supplemented.

158 (w) "Water Coordinator" shall mean the individual provided for in subarticle
159 4(j)(4) of this Agreement.

160 (x) "Year" shall mean the period from and including March 1 of each Calendar
161 Year through the last day of February of the following Calendar Year.

162 **TERM OF AGREEMENT**

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

165 (b) The Contracting Officer may terminate this Agreement at any time before
166 the expiration of its term whenever the Contracting Officer determines that the Authority is in
167 substantial breach of the Agreement or otherwise in violation of Federal law, or any provision of
168 this agreement, provided, that prior to the effective date of any such termination, the Contracting
169 Officer shall first notify the Authority in writing of, the specific purported deficiencies of the
170 Authority in carrying out the terms and conditions of this Agreement. It is the intent of the
171 Parties that disputes be resolved pursuant to this subarticle 2(b) as expeditiously as is reasonably
172 possible without the necessity of other relief at law or in equity. If after the designated
173 representative of the Authority has met with the Contracting Officer or his or her designated
174 representative and attempt in good faith and with the use of best efforts to resolve any dispute
175 arising from the purported deficiency an agreement is not reached, the Contracting Officer may
176 issue a notice of proposed termination, which includes the specific deficiencies of the
177 Authority's performance under this Agreement. The Authority shall have at least one hundred
178 and twenty (120) days from receipt of the written notice of proposed termination to correct all
179 deficiencies referred to in said written notice. Any termination pursuant to this Article shall be
180 subject to the rights and obligations of the Parties as more specifically set forth in this
181 Agreement. If termination occurs pursuant to this subarticle 2(b), the Parties will promptly meet

182 to perform a full assessment of the Parties' respective investments to inform a determination of
183 what rights survive termination.

184 (1) If termination occurs prior to the determination of Substantial
185 Completion of construction of the Expansion Project, the Parties will meet and confer to review
186 the appropriate recognition of the Authority's contributed funds, as documented in applicable
187 Exhibits to this Agreement and any outstanding financial obligations subject to Article 11.

188 (2) If termination occurs following the determination of Substantial
189 Completion of construction of the Expansion Project, the Parties will meet and confer to review
190 the final storage benefits attributable to the Parties, documented Exhibit to this Agreement. Upon
191 termination Reclamation will meet and confer with the Authority, and Reclamation will, in a
192 timely manner, identify and reimburse verifiable outstanding financial obligations associated
193 specifically with the Project, as captured in Exhibits in this agreement, and subject to Article 11.
194 Until Reclamation reimburses all verifiable outstanding financial obligations, Reclamation will
195 manage the Authority-Managed share of the reservoir per interim agreement(s) based on
196 provisions of subarticles 4(e)-(h) of this Agreement. Upon full reimbursement, Reclamation will
197 assume full benefits of the Project.

198 (c) The United States and the Authority jointly shall review this Agreement,
199 which review shall be performed at least every five (5) years. A more frequent review will occur
200 if determined to be appropriate by the Contracting Officer, or if requested by the Authority. The
201 review shall compare the relative success which each Party has had in meeting its objectives,
202 including, but not limited to, the Contributed Funds Agreement, an OM&R Agreement, a
203 Repayment Contract, a Spend Plan, and a Coordination Agreement, which agreements will be

204 exhibits to this Agreement. Exhibits to this Agreement, excluding Final Storage Benefits, will be
205 mutually agreed to and signed by the Parties and will be incorporated into this Agreement. As a
206 precondition to the granting of any benefits or performance of obligations in this Agreement, the
207 Parties must successfully execute the Spend Plan and the Contributed Funds Agreement, and the
208 Authority must deposit all funds identified as necessary in the Spend Plan which shall be
209 executed no later than one hundred and twenty (120) days after the execution of this Agreement.
210 Exhibits to this Agreement may require modification which may be accomplished without
211 amendment to this Agreement.

212 (d) This Agreement may be modified, amended, or terminated upon mutual
213 agreement of the Parties in writing. All duties and obligations of the Parties under this
214 Agreement will cease upon termination except as to any provisions that expressly survive the
215 termination of the Agreement.

216 **COST SHARE**

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

220 (a) Reclamation has the authority to share up to 50% of the costs of the
221 Expansion Project; however, Reclamation and the Authority have agreed to an initial 70%
222 Authority Managed Share of Expanded Reservoir and a 30% Federal Share of Expanded
223 Reservoir.

224 (1) Upon the determination of Substantial Completion of construction
225 of the Expansion Project, Reclamation and the Authority will meet and confer within a

226 reasonable time frame to complete a final accounting of Expansion Project benefits to determine
227 and mutually agree upon final storage benefits of the Expansion Project and the allocation to
228 Reclamation and the Authority. The final storage benefits attributable to the Parties, will be
229 documented in an exhibit to this Agreement. Reclamation, in coordination with the Authority,
230 will assess the Expansion Project costs and make a determination of which Expansion Project
231 costs are reimbursable and which Expansion Project costs are non-reimbursable.

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

234 (1) The Parties have reviewed the Expansion Project costs incurred by
235 the Authority and Reclamation prior to the effective date of this Agreement. The Parties
236 acknowledge and agree that the Authority and Reclamation have incurred costs which, if
237 allowable, will be credited to each Party's cost share obligation under applicable Exhibits to this
238 Agreement.

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

243 (3) Environmental Mitigation and Compliance Costs: Either Party may
244 fund environmental mitigation and compliance activities associated with this Agreement. These
245 activities may include, but are not limited to, contracts for technical assistance in environmental
246 mitigation, funding of environmental mitigation commitments, and any actions to ensure

247 consistency with the State California Environmental Quality Act (CEQA) or Federal National
248 Environmental Policy Act (NEPA) laws and regulations.

249 (4) Cultural Resource Management Costs: Either Party may fund
250 cultural studies, investigations, and mitigation needs consistent with this Agreement.
251 Reclamation will be responsible for all necessary consultations with state offices, Indian tribes,
252 and interested parties pursuant to Section 106 of the National Historic Preservation Act of 1966,
253 as amended. Reclamation will be responsible for compliance and coordination with the Native
254 American Graves Protection and Repatriation Act of 1990.

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

259 (6) Administrative Costs: Reclamation will reserve sufficient funding
260 from Federal appropriations to cover its administrative and management costs associated with
261 the Expansion Project. This amount will be considered part of the overall Federal contribution.
262 Reclamation will provide an estimate of the administrative costs for this Expansion Project
263 which will be reviewed with the Authority. The Authority will reserve sufficient funding to pay
264 for its administrative costs for the non-Federal share of the Expansion Project. These costs will
265 be considered contributions to the non-Federal share of the Expansion Project and reported
266 pursuant to subarticle 3(f) of this Agreement. Administrative costs include, unless otherwise
267 defined by contracts: project management, construction management, accounting and
268 administrative management, legal support and review, travel, general meetings related to the

269 Expansion Project, contract/agreement technical meetings and negotiations, and other supportive
270 services and activities necessary for the construction and operation of the Expansion Project
271 prior to the determination of Substantial Completion.

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

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

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

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

290 will be considered part of the cost of this Expansion Project and shared in accordance with
291 subarticle 3(a)(1).

292 (d) There may be times when Reclamation provides funds to the Authority.
293 These funds will be provided through a financial assistance agreement. Any funds provided to
294 the Authority for the Expansion Project will be considered part of the cost of this Expansion
295 Project and shared in accordance with subarticle 3(a)(1).

296 (e) Reclamation and the Authority will develop and execute a Spend Plan
297 containing mutually agreeable terms for the Authority to commit funding required under the
298 WIIN Act and to track costs and account for funds expended. The Spend Plan will be an exhibit
299 to this Agreement.

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

303 (g) Repayment: As currently formulated, Reclamation does not anticipate the
304 need for a Repayment Contract for repayment of costs associated with the design and
305 construction of the Expansion Project. Reclamation and the Authority will, at the quarterly
306 check-ins described in subarticle (f) above, review the need for a Repayment Contract. If a
307 Repayment Contract is necessary, Reclamation will seek delegated authority from the
308 Commissioner to negotiate and execute said contract, which will be an exhibit to this Agreement.
309 The Parties will closely monitor the potential for reimbursable costs and the need for a
310 Repayment Contract and conduct any necessary financial analysis, in accordance with PEC 11-
311 01, prior to executing any such contract.

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

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

318 (h) The duties and obligations of the Parties under subarticles 3(a)(1), 3(b)(1),
319 3(d), and 3(g) would expressly survive termination of this Agreement.

320 **MANAGEMENT OF EXPANDED RESERVOIR**

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

326 (a) The Parties will draft and finalize an OM&R Agreement for the Expansion
327 Project prior to the first entry of any water subject to this Agreement into any CVP facilities. All
328 future OM&R costs associated with the Expansion Project will be commensurate to each Party's
329 final investment, unless otherwise agreed to in writing by the Parties pursuant to this Agreement.

330 (b) Nothing in this Agreement shall imply or convey any rights or process to
331 the Authority or their assignees for rights or privileges to water or operations in the Federal
332 Share of Expanded Reservoir or the Historic Reservoir and the Authority agrees that it shall not
333 seek these rights outside of this Agreement.

334 (c) The Parties agree that Reclamation and DWR retain the sole discretion
335 over the operations of the Historic Reservoir.-Operations of the Expanded Reservoir will be
336 consistent with existing laws, agreements, and obligations and pursuant to the terms of this
337 Agreement and in consultation with the Authority through the Water Coordinator.

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

342 (e) Authority Managed Share of Expanded Reservoir: The Parties intend that
343 the Water Coordinator will manage and account for any water in the Authority-Managed Share
344 of Expanded Reservoir consistent with the provisions below.

345 (1) The Parties agree that the Investors, through the Authority, possess
346 the ability to partner with non-Investor parties regarding the use, marketing, and/or lease of
347 capacity within the Authority Managed Share of Expanded Reservoir and/or the storage of water
348 in the Authority Managed Share of Expanded Reservoir. The Authority shall indemnify the
349 United States, its officers, employees, and agents of damage or claim of any nature whatsoever
350 for which there is any legal responsibility derived from these third-party agreements.

351 (2) The Authority agrees to use the Authority Managed Share of
352 Expanded Reservoir to store Acquired Water, and/or Project Water consistent with the terms of
353 this Agreement. If an Investor has any water type available to store in the Authority Managed
354 Share of Expanded Reservoir at the same time that Reclamation has Project Water available to it
355 to fill the Expanded Reservoir, and conveyance capacity is deemed available, the Investor may

356 determine which water type will be (or is) stored on its behalf in the Authority Managed Share of
357 Expanded Reservoir. Water stored in the Authority Managed Share of Expanded Reservoir will
358 not be subject to the San Luis Rescheduling Guidelines and will not be displaced, or “spill,”
359 upon the filling of the Federal Share of Historic Reservoir.

360 (3) Acquired Water

361 (i) With the exception of Non-Project Water that may already
362 exist in the Historic Reservoir and/or SWP water conveyed through the SWP or under agreement
363 with Reclamation, Non-Project Water is subject to a contract for the use of excess conveyance
364 capacity in Federal facilities, in order to convey Non-Project Water to or from the Historic
365 Reservoir.

366 (ii) Storage of Acquired Water in the Authority Managed Share
367 of Expanded Reservoir will not require a contract for non-Project use of excess capacity.
368 However, any Non-Project Water that is stored in the Authority Managed Share of Expanded
369 Reservoir that may be moved into and accounted for in the Historic Reservoir will require such a
370 contract for storage in the Historic Reservoir.

371 (iii) For the purpose of this Agreement, San Joaquin River
372 Restoration water recaptured consistent with permits issued by the State Water Resources
373 Control Board, if acquired through agreement and/or stored under agreement, acknowledged by
374 Reclamation, will be treated as Acquired Water and may be stored in the Authority Managed
375 Share of Expanded Reservoir.

376 (iv) Reclamation will not use Acquired Water for any purpose
377 unless and until the Parties first mutually agree in writing to water or monetary compensation,

378 subject to Article 11, or a combination thereof, prior to its use². Reclamation shall not use
379 Acquired Water until all Project Water stored in the Authority-Managed Share of Expanded
380 Reservoir has been used or forecasted for use.

381 (v) As allowed for under Section B.2.i of the Central Valley
382 Project Municipal and Industrial Water Shortage Policy Guidelines and Procedures as may be
383 amended or superseded, the Contracting Officer will consider Acquired Water in the Authority
384 Managed Share of the Expanded Reservoir as having been acquired by Investors to meet
385 individual public health and safety responsibilities and not subject to nor counted against an
386 Investor's available water.

387 (4) Project Water

388 (i) Article 3(a) Water: Following the CVP contract allocation
389 of Water Made Available under Article 3(a) of an Investor's Water Service/Repayment Contract,
390 the Water Coordinator may inform Reclamation as to the amount of water to be accounted for
391 under this subarticle, up to the maximum storage capacity of the Authority Managed Share of
392 Expanded Reservoir.

393 (ii) Article 3(f) Water: Each Investor holds a Repayment
394 Contract that provides a mechanism for Reclamation to make water available to each Investor in
395 addition to the Investor's CVP contract allocation in a given Year. This mechanism is most often
396 described in Article 3(f) of the Investors' Repayment Contracts, and so such water is referred to
397 as "Article 3(f) water". For the purpose of this Agreement, the Contracting Officer will make

² Subject to Article 11 Monetary compensation will be of either the total acquisition cost of the water when it was acquired by the Investor-contractor or the current year market rate (replacement cost), whichever is greater.

398 Article 3(f) water available to each Investor to store in the Authority-Managed Share of
399 Expanded Reservoir in addition to the Investors' CVP contract allocation in every Year that
400 Article 3(f) water is available, as described below:

401 (a) Following the filling of the Federal Share of
402 Historic Reservoir, Reclamation will make a determination that Article 3(f) water is available to
403 all south-of-Delta CVP Water Service/Repayment Contractors pursuant to their respective Water
404 Service/Repayment contract.

405 (b) Upon making Article 3(f) water available,
406 Reclamation will fill the Authority Managed Share of Expanded Reservoir and the Federal Share
407 of Expanded Reservoir on a proportionate basis in accordance with this Agreement.

408 (1) Reclamation will fill the Expanded
409 Reservoir until such a time that the Authority Managed Share of Expanded Reservoir is full or
410 the Authority-Managed Share and the Federal Share of Expanded Reservoir are full.

411 (2) Any Article 3(f) water used to fill a portion
412 of the Authority-Managed Share of Expanded Reservoir will be managed and accounted for by
413 the Water Coordinator within the Authority Managed Share of the Expanded Reservoir.

414 (3) Water made available under this subarticle
415 4(e)(5)(ii) and stored in the Authority Managed Share of Expanded Reservoir can be scheduled
416 for delivery at a later date in coordination with the Water Coordinator.

417 (iii) Reclamation, at its discretion and in coordination
418 with the Water Coordinator, will only use Project Water in the Authority-Managed Share of

419 Expanded Reservoir to meet the unmet required deliveries for south-of-Delta San Joaquin River
420 Exchange Contractors and Settlement Contractors, the unmet required CVPIA allocation for
421 south-of-Delta Level 2 refuges, and the unmet required public health and safety needs as defined
422 by the Central Valley Project Municipal and Industrial Water Shortage Policy Guidelines and
423 Procedures as may be amended or superseded; after all available CVP water supplies stored in
424 the Federal Share of Historic Reservoir and Federal Share of Expanded Reservoir are used or
425 forecasted for use,-consistent with Reclamation water rights and existing contracts; Project Water
426 in the Authority-Managed Share of Expanded Reservoir will be used with other available CVP
427 water supplies.

428 (iv) (a) Every Year, no later than the time of the initial
429 Year-type determination, but as soon as practicable, the Contracting Officer, in coordination with
430 the Water Coordinator, will evaluate whether it anticipates a need to use Project Water stored in
431 the Authority-Managed Share of Expanded Reservoir for the purposes enumerated in subarticle
432 4(e)(4)(iii) above. The results of the Contracting Officers evaluation will be promptly
433 communicated with the Authority. Reclamation, in coordination with the Water Coordinator, will
434 update its evaluation throughout the Year, including information regarding any changes in
435 anticipated need, the timing of such need, and the quantity of such need.

436 (5) If Reclamation uses Acquired Water or Project Water stored in the
437 Authority Managed Share of Expanded Reservoir to meet the enumerated CVP purposes above,
438 Reclamation shall reimburse or credit the Authority for the applicable OM&R costs. Therefore,
439 the quantity of Project Water or Acquired Water used by Reclamation will be included in the
440 calculation of that Year's Federal OM&R cost obligation allocated by DWR for the Expanded

441 Reservoir and will be deducted from the Authority's share of OM&R cost obligation for the Year
442 in which Acquired Water or Project Water was used by Reclamation.

443 (7) If Reclamation anticipates a need for any water stored in the
444 Authority Managed Share of Expanded Reservoir based on 90% exceedance forecasts, on or
445 before February 20 of each Year, Reclamation will inform the Authority, in coordination with
446 the Water Coordinator, of this potential need. On or before March 1, the Authority, through the
447 Water Coordinator, will submit a schedule to Reclamation for the delivery of water stored in the
448 Authority Managed Share of Expanded Reservoir in accordance with the noticing and scheduling
449 provision located in the applicable Investor Water Service/Repayment Contract that shows the
450 volumes of water to be delivered. Schedules will need to demonstrate delivery of water on or
451 before April 1 of each Year. Reclamation shall use all reasonable means to deliver the water to
452 the contractor in accordance with the initial schedule submitted by the contractor, or any written
453 revision(s) deemed satisfactory to the Contracting Officer, thereto submitted within a reasonable
454 time prior to the date(s) on which the requested change(s) is/are to be implemented.

455 (f) Displacement of Project Water – In order to store Acquired Project Water
456 in the Authority Managed Share of Expanded Reservoir, the Water Coordinator, in coordination
457 with Reclamation, will if needed, move Project Water out of the Authority Managed Share of
458 Expanded Reservoir. Project Water can be transferred, exchanged, or delivered subject to
459 applicable statutes, regulations, guidelines, and policies. If the Project Water cannot be timely
460 transferred, exchanged, or delivered, it will move in the following way and in the following order
461 of priority:

462 (1) Project Water moves from the Authority-Managed Share of
463 Expanded Reservoir to the Historic Reservoir unless the Historic Reservoir is full.

464 (2) If the Historic Reservoir is full, then the Project Water moves to
465 the Federal Share of Expanded Reservoir; and

466 (3) If the Project Water cannot be moved as described above, then
467 Reclamation can make the Project Water available to CVP contractors per existing CVP Water
468 Service/Repayment Contracts, and subject to applicable regulations, guidelines, and policies.
469 Reclamation will retain full discretion as to the disposition of the Project Water.

470 (g) Losses – All water in the Authority Managed Share of Expanded
471 Reservoir will be subject to water loss criteria that is applied based on reservoir losses caused by
472 evaporation and seepage and charged to Reclamation as part of its joint operations with DWR,
473 with the Authority and Reclamation sharing losses proportionate to the water then-stored in the
474 Expanded Reservoir.

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

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

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

487 (1) Define the frequency of coordination between the Parties.

488 (2) Establish a Reclamation approved accounting methodology and
489 system of accounting for water in the Authority Managed Share of Expanded Reservoir.

490 (3) Provide for a dispute resolution process.

491 (4) Provide for a Water Coordinator. The Parties agree that a Water
492 Coordinator will be provided and paid for by the Authority who will coordinate with
493 Reclamation regarding the management of any water moving into, stored in, or moving out of
494 the Authority-Managed Share of Expanded Reservoir, who will account for the water in the
495 Authority-Managed Share of Expanded Reservoir, including losses, and who will be responsible
496 for the provisional data and coordinating with Reclamation on reconciliation at the end of the
497 contract year and prior to initial allocations of the following Year.

498 (5) Describe the coordination process referenced in subarticle 4(e)(6)
499 above, including but not limited to the frequency and methods through which Reclamation will
500 share forecasting and allocation information with the Water Coordinator on behalf of the
501 Authority.

502 (6) Describe the methods through which the Parties will acquire access to
503 conveyance capacity.

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COORDINATION AND COOPERATION

5. (a) In order to further the goals and objectives of this Agreement, Reclamation and the Authority shall communicate, coordinate, and cooperate with each other. The communication, coordination, and cooperation provided for hereunder shall extend to all provisions of this Agreement. Each Party shall retain exclusive decision-making authority for all actions, opinions, and determinations to be made by the respective Party.

(b) Nothing in this Article shall be construed to limit or constrain Reclamation’s ability to communicate, coordinate, and cooperate with the Authority or to make decisions in a timely fashion as needed to protect health, safety, or the physical integrity of structures or facilities.

EXISTING CONTRACTS

6. Nothing in this Agreement, in any way, alters, changes, or amends existing Water Service/Repayment Contracts with the United States.

DISPUTE RESOLUTION

7. Should any dispute arise concerning any provisions of this Agreement, or the Parties’ rights and obligations thereunder, the United States and the Authority shall meet and confer in an attempt to resolve the dispute. Prior to the Authority commencing any legal action, or the Contracting Officer referring any matter to the Department of Justice, the party shall provide to the other party thirty (30) days’ written notice of the intent to take such action; *Provided, That* such notice shall not be required where a delay in commencing an action would prejudice the interests of the party that intends to file suit. During the thirty (30)-day notice period, the parties shall meet and confer in an attempt to resolve the dispute. Except as specifically provided, nothing herein is intended to waive or abridge any right or remedy that the

527 Authority or the United States may have.

528 **WAIVER OF NON-COMPLIANCE WITH ANY PROVISION OF THIS AGREEMENT**

529 8. (a) The waiver by either Party to this Agreement as to any non-compliance
530 with any provision of this Agreement shall not be construed as a waiver of any other non-
531 compliance with any provision of this Agreement or as authority of the other Party to continue
532 such non-compliance with any provision of this Agreement or to make, do, or perform, or not
533 make, do, or perform, as the case may be, any act or thing which would constitute non-
534 compliance with any provision of this Agreement.

535 (b) Nothing contained in this Agreement shall be construed as in any manner
536 abridging, limiting, or depriving the United States, represented by the Contracting Officer, or the
537 Authority of any means of enforcing any remedy, either at law or in equity, for the breach of any
538 of the provisions hereof which it would otherwise have.

539 **OPINIONS AND DETERMINATIONS**

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

548 determination implementing a specific provision of Federal law embodied in statute or
549 regulation.

550 (b) The Contracting Officer shall have the right to make determinations
551 necessary to administer this Agreement that are consistent with the provisions of this Agreement,
552 the laws of the United States and of the State of California, and the rules and regulations
553 promulgated by the Secretary. Such determinations shall be made in consultation with the
554 Authority to the extent reasonably practicable.

555 (c) Nothing in this Agreement, or performance hereunder, constitutes a
556 waiver of the Parties' respective positions, opinions, or interpretations of California water rights
557 law, whatever they may be, in circumstances where there is no mutual agreement, as applicable
558 herein, for the use of the Expanded Reservoir.

559 (d) In case of any conflict between this Agreement and any Water
560 Service/Repayment Contract, then the respective Water Service/Repayment Contract takes
561 precedence.

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NOTICES

564 10. Any notice, demand, or request authorized or required by this Agreement shall be
565 deemed to have been given, on behalf of the Authority, when mailed, postage prepaid, or delivered
566 to the Regional Director, California Great Basin Region, Bureau of Reclamation, 2800 Cottage
567 Way, Sacramento, CA, 95825, and on behalf of the United States, when mailed, postage prepaid,
568 or delivered to the San Luis & Delta-Mendota Water Authority, 842 6th Street, Los Banos, CA
569 93635.

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CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

572 11. The expenditure or advance of any money or the performance of any obligation of
573 the United States under this Agreement shall be contingent upon appropriation or allotment of
574 funds. Absence of appropriation or allotment of funds shall not relieve the Authority from any

575 obligations under this Agreement. No liability shall accrue to the United States in case funds are
576 not appropriated or allotted.

577 **OFFICIALS NOT TO BENEFIT**

578 12. No Member of or Delegate to the Congress, Resident Commissioner, or official of
579 the Authority shall benefit from this Agreement other than as a water user or landowner in the
580 same manner as other water users or landowners.

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

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

585 **BOOKS, RECORDS, AND REPORTS**

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

596 **COMPLIANCE WITH FEDERAL RECLAMATION LAWS**

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

602 **EQUAL EMPLOYMENT OPPORTUNITY**

603 16. The following language is required by Executive Order No. 11246 of September
604 24, 1965, in all government contracts unless and until it is superseded or amended.

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

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

610 sexual orientation, gender identity, or national origin. Such action shall include, but not be
611 limited to the following: employment, upgrading, demotion, or transfer; recruitment or
612 recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and
613 selection for training, including apprenticeship. The Authority agrees to post in conspicuous
614 places, available to employees and applicants for employment, notices to be provided by the
615 Contracting Officer setting forth the provisions of this nondiscrimination clause.

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

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

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

636 (e) The Authority will comply with all provisions of Executive Order No.
637 11246 of Sept. 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of
638 Labor.

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

644 (g) In the event of the Authority's noncompliance with the nondiscrimination
645 clauses of this Agreement or with any of such rules, regulations, or orders, this Agreement may
646 be canceled, terminated or suspended in whole or in part and the Authority may be declared
647 ineligible for further Government contracts in accordance with procedures authorized in
648 Executive Order No. 11246 of Sept. 24, 1965, and such other sanctions may be imposed and

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

651 (h) The Authority will include the provisions of paragraphs (a) through (h) in
652 every subcontract or purchase order unless exempted by the rules, regulations, or orders of the
653 Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of September
654 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The
655 Authority will take such action with respect to any subcontract or purchase order as may be
656 directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions
657 for noncompliance: Provided, however, that in the event the Authority becomes involved in, or is
658 threatened with, litigation with a subcontractor or vendor as a result of such direction, the
659 Authority may request the United States to enter into such litigation to protect the interests of the
660 United States.

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COMPLIANCE WITH CIVIL RIGHTS

662 17. (a) The Authority shall comply with Title VI of the Civil Rights Act of 1964
663 (Pub. L. 88-352; 42 U.S.C. § 2000d), the Rehabilitation Act of 1973 (Pub. L. 93-112, Title V, as
664 amended; 29 U.S.C. § 791, et seq.), the Age Discrimination Act of 1975 (Pub. L. 94-135, Title
665 III; 42 U.S.C. § 6101, et seq.), Title II of the Americans with Disabilities Act of 1990 (Pub. L.
666 101-336; 42 U.S.C. § 12131, et seq.), and any other applicable civil rights laws, and with the
667 applicable implementing regulations and any guidelines imposed by the U.S. Department of the
668 Interior and/or Bureau of Reclamation.

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

676 (c) The Authority makes this agreement in consideration of and for the
677 purpose of obtaining any and all Federal grants, loans, contracts, property discounts, or other
678 Federal financial assistance extended after the date hereof to the Authority by the Bureau of
679 Reclamation, including installment payments after such date on account of arrangements for
680 Federal financial assistance which were approved before such date. The Authority recognizes
681 and agrees that such Federal assistance will be extended in reliance on the representations and
682 agreements made in this article and that the United States reserves the right to seek judicial
683 enforcement thereof.

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

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CERTIFICATION OF NONSEGREGATED FACILITIES

687 18. The Authority hereby certifies that it does not maintain or provide for its
688 employees any segregated facilities at any of its establishments and that it does not permit its
689 employees to perform their services at any location under its control where segregated facilities
690 are maintained. It certifies further that it will not maintain or provide for its employees any
691 segregated facilities at any of its establishments and that it will not permit its employees to
692 perform their services at any location under its control where segregated facilities are
693 maintained. The Authority agrees that a breach of this certification is a violation of the Equal
694 Employment Opportunity clause in this Agreement. As used in this certification, the term
695 "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms,
696 restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas,
697 parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing
698 facilities provided for employees which are segregated by explicit directive or are in fact
699 segregated on the basis of race, creed, color, or national origin, because of habit, local custom,
700 disability, or otherwise. The Authority further agrees that (except where it has obtained identical
701 certifications from proposed subcontractors for specific time periods) it will obtain identical
702 certifications from proposed subcontractors prior to the award of subcontracts exceeding \$10,000
703 which are not exempt from the provisions of the Equal Employment Opportunity clause; that it
704 will retain such certifications in its files; and that it will forward the following notice to such
705 proposed subcontractors (except where the proposed subcontractors have submitted identical
706 certifications for specific time periods):

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708 NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR
709 CERTIFICATIONS OF NONSEGREGATED FACILITIES

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

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MEDIUM FOR TRANSMITTING PAYMENTS

716 19. (a) All payments from the Authority to the United States under this
717 Agreement shall be by the medium requested by the United States on or before the date payment
718 is due. The required method of payment may include checks, wire transfers, or other types of
719 payment specified by the United States.

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

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PLACEHOLDER – Reclamation to add Standard Article PEC 10-17

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AGREEMENT DRAFTING CONSIDERATIONS

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

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