SAMPLE of OWNER/MANAGEMENT AUTHORITY DOCUMENTATION

To demonstrate to Division of Boating and Waterways (DBW) that the applicant owns or manages the water in a reservoir, per HNC Section 676.1 and FGC 2302:

- Applicants must not only provide the documentation, but also must highlight the pertinent sections that describe management/ownership.
- Ownership/management must not be expired. If it will be expired before the two year grant term expires, then the applicant must explain the likelihood of the agreement for ownership/management being extended, and when the revised agreement will be available.
- Documentation must provide information and/or cross referenced information that names the reservoir(s) in the application and ties that back to the name of the applicant.
- The names of the agency, the reservoir, and permit or reference numbers must be easily deciphered. A cross reference index can be provided for review.
- If the name of the agency has changed, then provide official documentation showing the name change.
- Examples of acceptable documentation:
  - Current lease agreement with the owner, if applicable
  - CA State Water Resource Control Board (SWRCB) Water Right permit or license
  - Federal Energy Regulatory Commission license
  - Official Jurisdiction of Dams documentation from the CA Department of Water Resources' Division of Safety of Dams (this implies to DBW that the owner of the dam, also owns the water behind it)
  - Supplemental Statement to the SWRCB (filing annual statement of diversion and use), which is a pre-1914 claim of a grandfathered right. This provides the statement #, the date, and purpose of the reservoir.
- Provide cross reference information if more than one reservoir is included.

The following owner/management information will be collected in/uploaded into the On-Line Grant Application (OLGA) system. The following sample is provided as an example:

**Sample Applicant:** Solano County Water Agency

**Sample Reservoir:** Lake Berryessa
The application in OLGA requests:

Describe management authority and the party that delegated the authority:

Lake Berryessa is owned by the US Bureau of Reclamation (USBR) as part of the Solano Project. The Solano Project includes Monticello Dam (which forms Lake Berryessa) Putah Diversion Dam (which forms Lake Solano), the Putah South Canal, and Terminal Reservoir. USBR has transferred all operations and maintenance of the Solano Project to the Solano County Water Agency (SCWA). The most recent transfer agreement was executed on June 2, 1999 between USBR and SCWA, and is valid for 25 years (2024).

Provide the document(s) that state(s) your management/ownership authority:

USBR SCWA Operations and Maintenance Agreement: See following pages for a sample contract. (This will be uploaded by Applicant in OLGA.)

Location of the owner/manager authority language within the document(s):

Page 4-5 of the Agreement defines the “Project” (i.e. Solano Project including Lake Berryessa) and page 8-9 contains the contract language delegating Operation and Maintenance to the Solano County Water Agency.

Example of Acceptable Authority Documentation:

(See following pages for the example Authority Documentation)
UNIVERS STAT ES
DEPARTMENT OF INTERIOR
BUREAU OF RECLAMATION
Solano Project, California

CONTRACT BETWEEN THE UNITED STATES
AND THE SOLANO COUNTY WATER AGENCY
FOR
OPERATION AND MAINTENANCE OF SOLANO PROJECT WORKS

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UNITED STATES
DEPARTMENT OF INTERIOR
BUREAU OF RECLAMATION
Solano Project, California

CONTRACT BETWEEN THE UNITED STATES
AND THE SOLANO COUNTY WATER AGENCY
FOR
OPERATION AND MAINTENANCE OF SOLANO PROJECT WORKS

THIS CONTRACT, made this 2nd day of June 1999, in pursuance generally of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory or supplementary thereto, including, but not limited to, Section 5 of the Act of August 13, 1914 (38 Stat. 687); all collectively hereinafter referred to as the Federal Reclamation law, among THE UNITED STATES OF AMERICA, hereinafter referred to as the United States and the SOLANO COUNTY WATER AGENCY, hereinafter referred to as the Agency; the Agency being a public entity of the State of California, duly organized, existing, and acting pursuant to the laws thereof, with its principal place of business in Solano County, California;

WITNESSETH, That:

EXPLANATORY RECITALS

WHEREAS, the United States constructed and is responsible for the operation of the Solano Project, California, including Monticello Dam and Lake Berryessa, Putah Diversion Dam and Lake Solano, and the Putah South Canal, for storage, diversion, carriage, distribution and beneficial use of the waters of Putah Creek and its tributaries for agricultural, municipal, domestic, and other purposes; and,
WHEREAS, the Agency, formerly the Solano County Flood Control and Water Conservation District, entered into Contract No. 14-06-200-4090 with the United States, which contract has subsequently been amended, for a water supply from Lake Berryessa for agricultural and municipal and industrial uses within Solano County; and

WHEREAS, Contract No. 14-06-200-4090 also transferred to the Agency the responsibility for operation, maintenance, and replacement (OM&R) of the Putah South Canal upon completion of construction of the Solano Project; and

WHEREAS, the Agency and Reclamtion have negotiated a renewal contract to replace Contract No. 14-06-200-4090, which will be executed before March 1, 1999; and

WHEREAS, since May 1, 1959, the Solano Irrigation District (District), a participating agency with the Agency has been performing the OM&R of Putah South Canal pursuant to a contract with the Agency, which contract expires on February 28, 1999, and will be renewed and expanded to delegate all OM&R of all Project Works Transferred for Operations and Maintenance as authorized by this contract; and

WHEREAS, the District has been responsible for OM&R of certain additional Project works since March 1981, pursuant to Contract No. 7-07-20-X0347 with the United States; and

WHEREAS, the Solano Project headquarters complex consisting of two houses and a combination office, and equipment storage building was transferred to the District pursuant to Contract No. 1-07-20-X1088 to facilitate the OM&R by the District of the facilities proposed to be transferred herein and said contract remains in full force and effect; and
WHEREAS, the Agency has the ability to OM&R the Project Works Transferred for Operations and Maintenance to the satisfaction of the United States and in a manner which best and most economically serves the water users relying on those facilities; and

WHEREAS, the United States believes it to be in the best interests of the parties that the Agency assumes the financial responsibility to fund the District’s OM&R of the Project Works Transferred for Operations and Maintenance while the United States retains the responsibility to fund the capital costs of the Project Works Transferred for Operations and Maintenance; and

WHEREAS, the Agency is willing to sub-contract to the District the responsibility for the physical OM&R of the Project Works Transferred for Operations and Maintenance and assume the responsibility to perform the enumerated financial activities in accordance with the terms and conditions herein set forth; and

NOW THEREFORE, in consideration of the covenants herein contained, it is hereby mutually agreed as follows:

DEFINITIONS

(1) When used herein, solely for the purposes of this Agreement, unless otherwise distinctly expressed or manifestly incompatible with the intent hereof, the term:

(a) “Administrative Charges” shall mean those Project costs, including overhead, reasonably incurred by the Contracting Officer in connection with, but not limited to: monitoring, administering, and negotiating a subsequent renewal and/or possibly amendments or supplements to this contract; accounting for annual operations;
and all costs associated with all environmental requirements necessary to administer this
contract and provide for the continuation of OM&R as intended herein;

(b) "Agency" shall mean Solano County Water Agency, organized under
special legislation of the State of California.

(c) "Calendar Year" shall mean the period from January 1 through the
following December 31, both dates inclusive.

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

(e) "Hazardous Material" shall mean any substance, pollutant, or contaminant
listed as hazardous under the Comprehensive Environmental Response, Compensation,
promulgated pursuant to that Act.

(f) "Operation, Maintenance, and Replacement" or "OM&R" shall mean the
complete operation and maintenance of the Project Works Transferred for Operations
and Maintenance (as defined below), including such repairs and replacements as normally
considered part of annual OM&R functions, and shall include the performance of
emergency or unusual OM&R of extraordinary repair or replacement costs, and
betterment costs.

(g) "Project" shall mean the Solano Project constructed by the United States
and consisting of Monticello Dam and Lake Berryessa, Putah Diversion Dam and Lake
Solano, the Putah South Canal, the headworks of the Putah South Canal, and Parshall Flume at Milepost 0.18 of the Putah South Canal.

(h) "Non-Project water" shall mean water other than water conveyed or delivered pursuant to the Water Delivery Contract (as that term is defined below) which the United States has a legal or contractual obligation to store, convey or and/or deliver through the Project Works Transferred for Operations and Maintenance. Non-Project water includes, without limitation, water to be stored in or conveyed through the Project Works Transferred for Operations and Maintenance (1) pursuant to contracts authorized under the Warren Act (43 USC 523, et seq.), as may be amended or supplemented; (2) under any other storage/wheeling or conveyance agreements which may now or in the future be binding on the Secretary (as that term is defined below); and (3) to satisfy other legally imposed obligations of the Secretary.

(i) "Participating Agency" shall mean any county water district, reclamation district, irrigation district, water conservation district, municipality, flood control district, other public entity, city, or political subdivision of the state empowered by law to appropriate water and to deliver water to water users, the territory of which lies principally within Solano County, or any state agency, which Participating Agency enters into a contract with the Agency for (i) the repayment in whole or in part to the Agency or any other person, corporation, public agency, or the United States of any or all of the construction costs of the Project, (ii) the underwriting in whole or part of any or all of those construction costs, (iii) the repayment in whole or in part to the Agency or any other person, corporation, public agency, or the United States of any or all of the cost of
furnishing Project Water to the agency or the underwriting in whole or in part of the cost, or (iv) the payment in whole or in part for Project Water to be furnished or sold to that Participating Agency by the Agency or the United States.

(j) "Party Entitled To Utilize Or Receive Non-Project Water" shall mean the party required to pay the Agency the amounts described in Article 7 hereof for the storage, conveyance and/or delivery of Non-Project Water through the Project Works Transferred for Operations and Maintenance.

(k) "Project Works Transferred for Operations and Maintenance" shall mean Monticello Dam, Putah Diversion Dam, the headworks of the Putah South Canal, Putah South Canal, and the Parshall Flume located at Milepost 0.18 of the Putah South Canal and all Federal lands or real property immediately adjacent to the Project Works Transferred for Operations and Maintenance downstream of the log-boo111 across Lake Berryessa above Monticello Dam excluding the recreation area at the upper end of Lake Solano.

(l) "Secretary" or "Contracting Officer" shall mean the Secretary of the United States Department of the Interior or his/her duly authorized representative.

(m) "Water Delivery Contract" shall mean Contract No. 14-06-200-4090R, as that contract has been renewed and as it may be further amended or renewed during the term of this contract.

TERM OF CONTRACT

2. (a) This contract shall become effective March 1, 1999, and shall remain in effect through February 28, 2024, or immediately upon the expiration or termination of the Water Delivery Contract whichever occurs first.
(b) The Contracting Officer may terminate this contract at any time before the expiration of its term whenever the Contracting Officer determines that the Agency is in substantial violation of this contract; Provided, that prior to the effective date of any such termination, the Contracting Officer shall notify the Agency in writing of the reason for the proposed termination, including with specificity, the purported deficiencies of the Agency in carrying out the terms and conditions of this contract. Such notice of purported deficiency shall be issued only after the designated representative of the Agency has met with the Contracting Officer to attempt in good faith and with the use of best efforts to resolve any dispute arising from the purported deficiency. It is in the intent of the parties that disputes be resolved pursuant to this Article 2(b) as expeditiously as is reasonably possible without the necessity of other relief at law or in equity. The Agency shall have at least ninety (90) days from the receipt of the written notice of said reasons for termination to correct all deficiencies referred to in said written notice; Provided, that in the event of a condition which threatens the safety or integrity of the Project Works Transferred for Operations and Maintenance, the Contracting Officer may specify a shorter notice period which the Contracting Officer determines to be appropriate under the circumstances. In the event the Agency does not correct all deficiencies referred to in said written notice within the applicable period, the Contracting Officer may thereafter terminate this contract upon thirty (30) days prior written notice to the Agency. Any termination pursuant to this Article shall be subject to the rights and obligations of the parties as more specifically set forth in this contract.
(c) The Agency or the United States may at any time, upon giving twelve (12) months written notice, terminate this contract; Provided, that such termination shall not relieve the Agency of any of its duties, liabilities or obligations accruing from the effective date of this contract to the effective date of such termination.

(d) Upon any termination of this contract, the Agency shall transfer to the United States (1) title to all tools, vehicles, supplies, and equipment previously transferred to the Agency (to the extent still on hand) for the purposes of this contract, or purchased by the Agency to replace tools, vehicles, supplies, and equipment so transferred, and (2) any funds in its possession which were collected for, or allocated to, OM&R of the Project Works Transferred for Operations and Maintenance. All other funds and reserves in the Agency's possession, including without limitation all other funds collected for, or allocated to, the OM&R of the Project Works Transferred for Operations and Maintenance and the reserve funds established under Article 11 hereof shall be retained or distributed by the Agency in accordance with the direction of the Agency’s board of directors.

TRANSFER OF OM&R

3. (a) Effective March 1, 1999, the Agency shall assume responsibility for the physical OM&R of the Project Works Transferred for Operations and Maintenance. The Agency is hereby granted the right to enter upon and into the Project Works Transferred for Operations and Maintenance. Title to the Project Works Transferred for Operations
and Maintenance shall remain with the United States unless and until the Congress of the United States provides otherwise.

(b) The Agency without expense to the United States shall OM&R the Project Works Transferred for Operations and Maintenance in such a manner as is necessary to meet all existing and future obligations of the Contracting Officer to convey Project and Non-Project water through the Project Works Transferred for Operations and Maintenance and in full compliance with the terms of this contract, applicable Federal laws, rules and regulations, applicable water rights permits and licenses issued for the Project by the State Water Resources Control Board, and the applicable Standing Operating Procedures (SOP). The Agency shall also OM&R the Project Works Transferred for Operations and Maintenance in such a manner that said Project Works Transferred for Operations and Maintenance will remain in good and efficient condition for the storage, diversion and carriage of water as on the effective date of the transfer, excepting normal deterioration and ordinary and reasonable wear; Provided, that the Agency and Contracting Officer agree that the inspections conducted on the regular schedule prior to execution of this contract are sufficient for their purposes, and that a letter from Reclamation dated February 25, 1999, documents the responsibilities of Reclamation for deferred maintenance for which the Agency will not be held responsible in the future. Any deviations from or changes to the SOP shall be approved in writing by the Contracting Officer.

(c) No substantial change shall be made by the Agency to any of the Project Works Transferred for Operations and Maintenance without first obtaining the written
consent of the Contracting Officer. The Contracting Officer's determination as to
whether any change in any such Project Works Transferred for Operations and
Maintenance is or is not substantial shall be made after consultation with the Agency and
shall be conclusive and binding upon the parties hereto.

(d) The Contracting Officer shall at all times have access to the Project Works
Transferred for Operations and Maintenance to observe their general condition and the
Agency's OM&R thereof.

(e) In case of neglect or failure of the Agency to make repairs discovered
during a visit pursuant to this Article or an examination pursuant to Article 10, the
Contracting Officer may cause the repairs to be made, and the cost thereof shall be paid
by the Agency as prescribed by the Contracting Officer.

(f) In the event the Agency is found to be operating the Project Works
Transferred for Operations and Maintenance or any part thereof in violation of this
contract, the Contracting Officer shall notify the Agency in writing of the violation and
the Agency shall have sixty (60) days in which to provide the Contracting Officer a plan
for correction of the violation which is satisfactory to the Contracting Officer. Should
the Agency fail to provide such a plan which is deemed acceptable to the United States,
the United States may take back from the Agency the OM&R of the Project Works
Transferred for Operations and Maintenance by giving written notice to the Agency of
the intention to do so and the effective date thereof. Thereafter, during the period of
operation by the United States, the Agency shall make available to the Contracting
Officer all the tools and equipment then being used for OM&R for the Project Works
Transferred for Operations and Maintenance and the Agency shall provide funds to the
Contracting Office pursuant to Article 11(c). Upon determination of the Contracting
Officer and acceptance by the Agency, the OM&R of the Project Works Transferred for
Operations and Maintenance may be retransferred to the Agency by written notice. In
conjunction with such retransfer, all tools and equipment and any unused balance from
funds advanced by the Agency will be returned to the Agency.

(g) Termination of this contract by the Contracting Officer shall not relieve
the Agency of any of its duties, liabilities, or obligations accruing from the effective date
of this Agreement to the effective date of such termination.

EMERGENCY ACTION PLANS AND NOTIFICATIONS

4. (a) The Agency shall prepare such emergency action plans for the Project
Works Transferred for Operations and Maintenance as are required by governmental
agencies with jurisdiction over the Agency’s operations. The Agency shall furnish copies
of any such plans to the Contracting Officer.

(b) In addition to implementing Article 4 (a) hereof, the Agency shall notify
the Contracting Officer as soon as reasonably practicable after initial observation by the
Agency of any event or situation which threatens (1) the safety or integrity of the Project
Works Transferred for Operations and Maintenance, or (2) the well-being of humans or
property located adjacent to the Project Works Transferred for Operations and
Maintenance. Notwithstanding Article 28 hereof, such notification shall be made by
telephone or by facsimile transmission rather than by mail.
ADMINISTRATION OF PROJECT LANDS

5. (a) (1) The lands and rights-of-way acquired and/or withdrawn by the United States for the purposes of the construction, care, operation, and/or maintenance of Project Works Transferred for Operations and Maintenance may be used by the Agency for such purposes without being charged any administrative fees therefor. The Agency shall not issue rights-of-way across such lands or issue any other rights, leases, licenses, permits, or special-use agreements involving such lands. All such land-use-instruments shall only be issued by the Contracting Officer.

(2) The Contracting Officer shall not issue any rights-of-way across Project Works Transferred for Operations and Maintenance lands or leases, licenses, permits, or special-use agreements involving Project Works Transferred for Operations and Maintenance lands until the Contracting Officer has determined that the grant is compatible with the Project Works Transferred for Operations and Maintenance purposes and with the OM&R of the Project Works Transferred for Operations and Maintenance. The Contracting Officer shall issue such rights-of-way across Project Works Transferred for Operations and Maintenance lands or any leases, licenses, permits, or special-use agreements involving Project Works Transferred for Operations and Maintenance lands only after offering the Agency the opportunity to provide appropriate comment concerning the request. Requests for such grants that are received by the Agency shall be referred to the Contracting Officer along with appropriate comment.
concerning the request. A copy of all such grants issued by the Contracting Officer shall be provided to the Agency.

(b) The Agency shall regularly inspect the Project Works Transferred for Operations and Maintenance lands to identify any trespass, and determine the general condition of the real property itself. Cases of trespass shall be corrected, where possible, by the Agency. Trespass cases which the Agency feels may require undue time and/or expense to correct shall be referred without delay to the Contracting Officer for resolution.

(c) Construction by the Agency of any new facilities on Project Works Transferred for Operations and Maintenance lands, other than new facilities (1) constructed in connection with the OM&R of the Project Works Transferred for Operations and Maintenance, or (2) the costs of which are added to the capital costs of the Project Works Transferred for Operations and Maintenance, shall not commence without the written approval of the Contracting Officer. Plans of sufficient detail to describe the proposed location of construction, the employment of sound engineering practices, and the use to be made of the proposed facility shall be reviewed by the Contracting Officer for sufficiency and for consistency with the purposes of the Project Works Transferred for Operations and Maintenance. The Contracting Officer, upon finding the proposed new facility to be consistent with this Agreement, sound engineering practices, and the purpose of the Project Works Transferred for Operations and Maintenance shall issue the Agency appropriate permission for such use without any use or administrative fee; Provided, that the Agency shall reimburse the Contracting Officer
for the Contracting Officer’s actual costs incurred in reviewing and approving the
Agency’s plans for such proposed new facilities.

OVERSIGHT AND PARTICIPATION

6. The Contracting Officer shall, to the greatest extent possible, afford the Agency
the opportunity to:

(a) Review and, where appropriate, comment on preliminary and final
development plans, environmental documents, and other documents which affect the
Project Works Transferred for Operations and Maintenance. A copy of the Agency’s
comments shall be provided to the Contracting Officer; and

(b) When appropriate, participate with city, county, State and Federal
governments, or governmental groups and private concerns in meetings, hearings, and
other activities affecting the Project Works Transferred for Operations and Maintenance.
The Agency shall keep the Contracting Officer informed of these activities.

DELIVERY OF WATER BY THE AGENCY

7. (a) The Agency shall convey and distribute water in and from the Project
Works Transferred for Operations and Maintenance in accordance with the directives of
the Contracting Officer so that the Contracting Officer can satisfy all valid water delivery
obligations of the United States from the Project Works Transferred for Operations and
Maintenance, including water delivery obligations of the United States under the Water
Delivery Contracts and for delivery of Non-Project Water. The Agency shall deliver
water to each party entitled thereto from the Project Works Transferred for Operations
and Maintenance through turnouts or diversion facilities as specified in then-existing
Water Delivery Contract or other arrangements or agreements relating to Non-Project Water which specify such turnouts and delivery points, or as may be agreed to by such Party Entitled To Utilize Or Receive Non-Project Water, the Agency and the Contracting Officer.

(b) Prior to the Contracting Officer entering into, renewing, or amending any Water Delivery Contract or any other agreement which requires or permits the conveyance of water through any of the Project Works Transferred for Operations and Maintenance, the Contracting Officer shall consult with the Agency about the terms of such contract action, and shall provide the Agency the opportunity to review and comment thereon. Any such contract action shall be taken by the Contracting Officer only after the Contracting Officer has given due consideration to, and has taken all reasonable actions to mitigate the impacts of such contract action on (1) the quantity or quality of water available to those parties which receive water pursuant to the Water Delivery Contract, or Parties Entitled To Utilize Or Receive Non-Project Water, as of the date of this Agreement, and (2) the ability of the Agency to perform its obligations under this Agreement.

HAZARDOUS MATERIAL

8. (a) The Agency shall comply with all applicable Federal, State, and local laws and regulations, and policies and instructions of the Secretary, existing or hereafter enacted or promulgated, concerning use, storage, release, transportation, and disposal of any hazardous material, pollutant, or contaminant used, produced, or otherwise handled by the Agency, or by its agents, during the course of operating and maintaining the
Project Works Transferred for Operations and Maintenance. Violation of this subarticle by the Agency shall make the Agency liable for any and all penalties and fines assessed by Federal, State, or local enforcement agencies against the Contracting Officer and/or for the cost of full and complete remediation of damages to, and/or restoration of, any Federal property, facilities, or other resources, and of any non-Federal property, facilities, or other resources, that are adversely affected as a result of the deposit or release of a hazardous material, pollutant, or contaminant by the Agency or its agents.

(c) The Agency shall take reasonable precautions to prevent the deposit or release of hazardous material, contaminants or pollutants by third parties in or on the Project Works Transferred for Operations and Maintenance and in the waters located within the Project Works Transferred for Operations and Maintenance if such deposit or release would violate applicable laws and regulations or would interfere with, or impair, the OM&R of the Project Works Transferred for Operations and Maintenance or the quality of the waters located within the Project Works Transferred for Operations and Maintenance. To the extent that the Contracting Officer or the Agency is unable to recover damages from the third party which causes such deposit or release, then the Agency shall be liable for the cost of full and complete remediation of damages to, and/or restoration of, any Federal property, facilities, or other resources that are adversely affected by such deposit or release.

(d) The Agency shall initiate immediate remedial action upon discovery of any deposit or release of hazardous materials, contaminants, or pollutants in or on the Project Works Transferred for Operations and Maintenance or in the waters located within the

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Project Works Transferred for Operations and Maintenance. Within one (1) hour of the
discovery of any such deposit or release, the Agency shall report such deposit or release
to the Contracting Officer with full details of the corrective actions taken and/or planned
to be taken.

AGENCY TO PAY ADMINISTRATIVE CHARGES

9. The Agency shall pay in advance to the United States sufficient funds to cover any
Administrative Charges associated with this contract in any upcoming Year. In consultation with
the Agency, Reclamation shall estimate the Administrative Charges and shall provide said estimate
to the Agency in writing by January 1 of each Calendar Year. The Agency shall pay in full the
estimated Administrative Charges for each Year by March 1 of each Calendar Year. Should the
estimated Administrative Charges be insufficient, the Contracting Officer shall notify the Agency
of the estimated additional costs for the remaining portion of the Year. The Agency shall pay
such costs within 30 days of the notification. The United States shall refund any payments in
excess of actual costs incurred for contract administration in any Year. Such refund shall be
accomplished within 60 days of the end of the prior Year. However, for the period March 1,
1999, through February 29, 2000, the Agency shall provide payment of the Administrative
Charges in the following manner: The Agency shall advance to the United States $1,000 to
finance the estimated Administrative Charges for the period March 1, 1999, through February 29,
2000. If the Contracting Officer determines after consultation with the Agency, anytime between
March 1, 1999, through February 29, 2000, that $1,000 is insufficient to cover the actual
Administrative Charges for the period March 1, 1999 through February 29, 2000, the Contracting
Officer shall so advise the Agency, and the Agency shall remit to the United States an amount sufficient to cover the actual Administrative Charges.

EXAMINATIONS OF PROJECT WORKS TRANSFERRED FOR OPERATIONS AND MAINTENANCE

10. (a) The Contracting Officer may conduct periodic onsite examinations of the Project Works Transferred for Operations and Maintenance to evaluate the condition of the Project Works Transferred for Operations and Maintenance and the adequacy of the Agency's OM&R program. The Agency shall participate in all such examinations, provide access to the Project Works Transferred for Operations and Maintenance, and operate mechanical and electrical equipment as requested. The examinations may include reviews of the Standing Operating Procedures, maintenance records, and operations reports. The Agency will be given advance notice of such examinations and the estimated costs thereof.

(b) Should the periodic examinations provided for in subarticle (a) reveal serious deficiencies or major problems, the Contracting Officer may, or the Agency may request the Contracting Officer to, conduct special inspections of the Project Works Transferred for Operations and Maintenance to ascertain the extent of any deficiencies or problems, to determine the remedial measures required for their correction, and to assist the Agency in solving specific problems. Except in an emergency, any special inspection shall be made only after written notice thereof has been delivered to the Agency by the Contracting Officer.
(c) The Contracting Officer shall prepare reports on the examinations or inspections and furnish copies of such reports and any recommendations to the Agency.

(d) Within sixty (60) days following the receipt of a bill and detailed statement, the Agency shall reimburse the United States for the actual cost incurred in making periodic OM&R examinations and special inspections and preparing associated reports and recommendations.

EMERGENCY RESERVE FUND

11. (a) The Agency shall accumulate and maintain a reserve fund at least equal to the total OM&R costs for the Project Works Transferred for Operations and Maintenance during the last Fiscal Year of normal OM&R; Unless, the Agency demonstrates to the satisfaction of the Contracting Officer that other funds are available, and will remain available, under the same terms and conditions as stated for the reserve fund. Said reserve fund shall be held in a Federally insured interest- or dividend-bearing account, or in securities guaranteed by the Federal Government and shall be available at such times as necessary to meet expenses for those purposes identified in subarticle (b).

(b) The Agency may make expenditures from such reserve fund only to meet costs incurred during periods of special stress caused by damaging storms, earthquakes, and floods or other emergencies causing, or threatening to cause, interruption of water service, or extraordinary OM&R costs (in situations where recurrence of severe problems can be eliminated). Proposed expenditure from the fund shall be approved by the Contracting Officer prior to incurring the expense.
(c) On October 1 following an expenditure from the fund, the Agency shall commence annual deposits of $25,000, or more, until the reserve fund balance is restored to the level required by subarticle (a). At any time the amount in the reserve fund equals or exceeds the amount specified in subarticle (a) above, the annual deposits may be discontinued and the interest earned shall continue to accumulate as part of the reserve fund.

(d) By mutual agreement between the Agency and the Contracting Officer, the amount required to be maintained in the reserve fund by subarticle (a) may be adjusted to account for risk and uncertainty stemming from the size and complexity of the Project, the size of the annual OM&R budget, additions to, deletions from, or changes in Project facilities and OM&R costs not contemplated when this contract was executed.

(e) On or before December 1 of each Calendar Year, the Agency shall provide an annual statement of the principal and accumulated interest of the reserve fund account to the Contracting Officer.

AGENCY TO PAY CERTAIN MISCELLANEOUS COSTS

12. The Agency shall pay to the United States within sixty (60) days after receipt of a bill and detailed statement submitted by the Contracting Officer to the Agency for such specific items of direct cost incurred by the United States for work requested by the Agency in writing associated with this contract plus a percentage of such direct costs for administrative and general overhead in accordance with applicable Bureau of Reclamation policy and procedures. This Article shall not apply to costs for routine contract administration.
QUALITY OF WATER

13. The OM&R of the Project Works Transferred for Operations and Maintenance shall be performed in such manner as is practicable to maintain the quality of raw water made available through such facilities at the highest level reasonably attainable as determined by the Contracting Officer.

AGENCY TO PAY COSTS OF OM&R

14. Should the Contracting Officer take back the OM&R of the Project Works Transferred for Operations and Maintenance pursuant to Article 2, the Agency shall pay to the United States the monthly costs during the remainder of the current year. Thereafter, as long as the United States is operating and maintaining the Project Works Transferred for Operations and Maintenance, the Agency shall pay to the United States, in advance, the estimated annual operating and maintenance costs as may be supplemented by the Congress, according to budgets submitted by the United States.

LIABILITY

15. (a) The Agency shall hold harmless the United States, its officers, agents, and employees from legal liability for damages of any nature whatsoever arising out of any actions or omissions by the Agency, its officers, agents, and employees related to the care, OM&R of the Project Works Transferred for Operations and Maintenance.

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

WATER AND AIR POLLUTION CONTROL

16. The Agency, in carrying out this contract, shall comply with all applicable water
and air pollution laws and regulations of the United States and the State of California.

RESOLUTION OF DISPUTES

17. Should any dispute arise concerning delivery or conveyance of water by the
Agency through the Project Works Transferred for Operations and Maintenance between the
Agency, any Participating Agency(ies) and/or any Party Entitled To Utilize Or Receive Non-
Project Water from or through Project Works Transferred for Operations and Maintenance, the
Agency shall provide its position with respect to such dispute to the other party (ies) thereto in
writing within sixty (60) days. Thereafter, should the Agency and the other party (ies) to the
dispute be unable to resolve such dispute, the dispute shall be referred to the Contracting Officer
for resolution. The Contracting Officer’s resolution of the dispute shall be accepted by the
Agency and other party (ies) thereto as final and conclusive except that it may be subject to
review by a court having jurisdiction over the dispute. The Agency shall promptly comply with
said decision, and shall operate the Project Works Transferred for Operations and Maintenance in
conformance with such decision until the same is reversed or modified.

NOTIFICATION OF THIRD PARTIES

18. The Secretary shall include in all agreements providing for the storage, delivery or
conveyance of Non-Project water through the Project Works Transferred for Operations and
Maintenance which are entered into, renewed or amended after the date of this Agreement a
provision requiring that, while this Agreement is in effect, the Agency shall be the Operating
Non-Federal Entity with respect to the Project Works Transferred for Operations and
Maintenance. All such new, renewed or amended agreements shall include provisions recognizing
the Agency's rights and obligations under this Agreement and any other agreements relevant to
the Agency's status as the Operating Non-Federal Entity. In the absence of agreement otherwise
by the Agency, such new, renewed, or amended agreements shall also include provisions requiring
the parties to such agreements to provide the Agency with copies of all water delivery schedules
provided to the Contracting Officer. The Contracting Officer shall also include in all such new,
renewed or amended agreements a provision confirming that the United States shall not charge
storage and/or conveyance OM&R costs, and that only such costs accrued by the Agency on
behalf of the parties to such agreements shall be the responsibility of the parties. The Agency’s
cost recovery policy shall provide for equitable allocation of costs to be recovered from all
Participating Agencies and all other parties obligated to pay for the storage and/or conveyance of
water through the Project Works Transferred for Operations and Maintenance, and shall clearly
set forth the manner in which such costs shall be collected, including payment deadline.

OPINIONS AND DETERMINATIONS

19. (a) Where the terms of this Contract provide for actions to be based upon
the opinion or determination of either party, said terms shall not be construed as
permitting such action to be predicated upon arbitrary, capricious or unreasonable
opinions or determinations. Both parties, notwithstanding any other provisions of this
Contract, expressly reserve the right to relief from and appropriate adjustment for any
such arbitrary, capricious or unreasonable opinion or determination. Each opinion or
determination by either party shall be provided in a timely manner.

(b) The Contracting Officer shall have the right to make determinations
necessary to administer this Contract that are consistent with the expressed and implied
provisions of this Contract, the laws of the United States and the State of California, and
rules and regulations applicable to the Contracting Officer. Such determinations shall be
made in consultation with the Agency to the extent reasonably practicable.

MODIFICATIONS

20. Each of the parties reserves the right to propose modifications to this contract at
any time while it is in effect. If either party proposes any such modifications, the parties shall
negotiate in good faith in an effort to accommodate the proposed modifications.

CHARGES FOR DELINQUENT PAYMENTS

21. (a) The Agency shall be subject to interest, administrative and penalty charges
on delinquent installments or payments. When a payment is not received by the due date, the
Agency shall pay an interest charge for each day the payment is delinquent beyond the due date.
When a payment becomes 60 days delinquent, the Agency shall pay an administrative charge to
cover additional costs of billing and processing the delinquent payment. When a payment is
delinquent 90 days or more, the Agency shall pay an additional penalty charge of 6 percent per
year for each day the payment is delinquent beyond the due date. Further, the Agency shall pay
any fees incurred for debt collection services associated with a delinquent payment.

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

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

22. During the performance of this contract, the Agency agrees as follows:

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

(b) The Agency will, in all solicitations or advertisements for employees placed by or on behalf of the Agency, state that all qualified applicants will receive consideration for employment without discrimination because of race, color, religion, sex, or national origin.

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

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

(e) The Agency will furnish all information and reports required by said amended Executive Order and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Contracting Officer and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(f) In the event of the Agency's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended, in whole or in part, and the Agency, as applicable, may be declared ineligible for further Government contracts in accordance with procedures authorized in said amended Executive Order, and such other sanctions may be imposed and remedies invoked as provided in said Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
(g) The Agency will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of said amended Executive Order, so that such provisions will be binding upon each subcontractor or vendor. The Agency will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event the Agency becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Agency may request the United States to enter into such litigation to protect the interests of the United States.

COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

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

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

(c) The Agency make this contract in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property discounts, or other Federal financial assistance extended after the date hereof to the Agency by the Bureau of Reclamation, including installment payments after such date on account of arrangements for Federal financial assistance which were approved before such date. The Agency recognizes and agrees that such Federal assistance will be extended in reliance on the representations and contracts made in this Article, and that the United States reserves the right to seek judicial enforcement thereof.

CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

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

25. The Contractor shall establish and maintain accounts and other books and records pertaining to administration of the terms and conditions of this contract. Subject to applicable Federal laws and regulations, each party to this contract shall have the right during office hours to examine and make copies of the other party's books and records relating to matters covered by this contract.

ASSIGNMENT LIMITED—SUCCESSORS AND ASSIGNS OBLIGATED

26. (a) The provisions of this contract shall apply to and bind the successors and assigns of the parties hereto, but no assignment or transfer of this contract or any right or interest therein shall be valid until approved in writing by the Contracting Officer.

(b) Notwithstanding Article 26(a) above, the Agency may meet its physical OM&R obligations as set forth in this contract through delegation to the District and such delegation and assignment shall be deemed approved pursuant to this Article.

OFFICIALS NOT TO BENEFIT

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

NOTICES

28. Any notice, demand, or request authorized or required by this contract shall be deemed to have been given on behalf of the sender when mailed, postage prepaid, or delivered to each of the other parties at: Area Manager, Central California Area Office, 7794 Folsom Dam Road, Folsom, California 95630-1799; the Board of Directors, Solano County Water Agency, 508 Elmira Road, Vacaville, California 95687. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this Article for other notices.
IN WITNESS WHEREOF, the parties hereto have executed this contract as of the day and year first above written.

THE UNITED STATES OF AMERICA

By: 
Regional Director, Mid-Pacific Region
Bureau of Reclamation

SOLANO COUNTY WATER AGENCY

By: 
Title: CHAIRMAN

Attest:

Secretary

(H:Solaomfd.wpd)