

CONTRACT BETWEEN THE UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR, BUREAU OF RECLAMATION
AND THE COACHELLA VALLEY WATER DISTRICT
FOR THE REPAYMENT OF EXTRAORDINARY MAINTENANCE COSTS
FOR THE MID-COACHELLA CANAL STORAGE PROJECT

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UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR, BUREAU OF RECLAMATION
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THE MID-COACHELLA CANAL STORAGE PROJECT

1. PREAMBLE THIS CONTRACT made this ____ day of _____, 2023, hereinafter referred to as “Repayment Contract,” pursuant to the Reclamation Act of June 17, 1902 (32 Stat. 388), and acts amendatory and supplementary thereto, Title IX, Subtitle G, Section 9603 of the Omnibus Public Land Management Act of March 30, 2009 (Pub. L. 111-11, 123 Stat. 1348, 43 U.S.C. § 510b), the Energy and Water Development And Related Agencies Appropriations Act, 2021 (Pub. L. 116-260, Division D, Title II, dated December 27, 2020), and Division D, Title IX, Section 40901 of the Infrastructure Investment and Jobs Act of November 15, 2021 (Pub. L. 117-58, 135 Stat. 1116, 43 U.S.C. § 3201), between THE UNITED STATES OF AMERICA, acting by and through the Bureau of Reclamation, hereinafter referred to as “Reclamation” or the “United States,” and the COACHELLA VALLEY WATER DISTRICT, a County Water District created, organized, and existing under and by virtue of the County Water District Law of the State of California and acts amendatory thereof or supplementary thereto, hereinafter referred to as “CVWD.” The United States and CVWD are each individually sometimes hereinafter called “Party” and sometimes collectively called “Parties;”

WITNESSETH, That:

2. EXPLANATORY RECITALS

2.1 WHEREAS, for the purposes of controlling floods, improving navigation, regulating the flow of the Colorado River, and providing for storage and the delivery of stored water for the reclamation of public lands and other beneficial uses exclusively within the United States, the Secretary of the Interior (“Secretary”), acting under and pursuant to the provisions of

the Colorado River Compact and the Boulder Canyon Project Act of 1928, 43 U.S.C. § 617, et seq., has constructed and is now operating and maintaining in the mainstream of the Colorado River at Black Canyon that certain structure known as and designated Hoover Dam and incidental facilities, creating thereby a reservoir designated Lake Mead;

2.2 WHEREAS, as a means to deliver Colorado River water to the Imperial and Coachella Valleys, Imperial Dam and the All-American Canal system, which includes the All-American Canal and its 123-mile-long Coachella Branch (known as the “Coachella Canal”), were authorized and constructed pursuant to the Boulder Canyon Project Act;

2.3 WHEREAS, on October 15, 1934, the United States and CVWD entered into Contract No. Ilr-781 entitled “Contract for Construction of Capacity in Diversion Dam, Main Canal and Appurtenant Structures and for Delivery of Water;” as supplemented on December 22, 1947, which provided for among other things, CVWD assuming the care, operation, maintenance, repair and replacement of the Coachella Canal and its appurtenant structures at CVWD’s own cost and without expense to the United States thus categorizing the works as transferred works;

2.4 WHEREAS, the Secretary was authorized by Title II of the Act of November 17, 1988 (Pub. L. 100-675, 102 Stat. 4000) as amended by the Act of October 27, 2000 (114 Stat. 1441A-70), hereinafter referred to as “Title II”, to enter into an agreement or agreements for the construction and funding of a new lined canal or lining the previously unlined reaches of the Coachella Canal from Siphon 7 to Siphon 32;

2.5 WHEREAS, on October 19, 2004, the United States entered into Agreement No. 04-XX-30-W0429 with CVWD and the San Diego County Water Authority (“SDCWA”) for the construction of the Coachella Canal Lining Project (“CCLP”) pursuant to Title II;

2.6 WHEREAS, the CCLP consisted of constructing a new concrete-lined canal

parallel to the westerly side of the then-existing canal from approximately Siphon 7 to Siphon 32, a distance of approximately 36.5 miles, which construction was substantially completed on April 9, 2007;

2.7 WHEREAS, a transfer inspection was performed on the completed CCLP on April 6, 2011, by the Bureau of Reclamation, and transfer of the project to an operation and maintenance status was effective on November 7, 2011;

2.8 WHEREAS, segments of the concrete lining in the Coachella Canal have experienced a high rate of cracking, particularly between Siphons 11 and 14, since construction of the CCLP;

2.9 WHEREAS, repairs of the cracked lining are performed by CVWD approximately every five years, the costs of which are significant;

2.10 WHEREAS, planning activities for the proposed Mid-Coachella Canal Storage Project include (1) remove the concrete lining between Siphons 11 and 14 of the Coachella Canal which has experienced a high rate of cracking, (2) replace the lining in portions of that section with a clay lining, and (3) widen the prism of the Coachella Canal between Siphons 11 and 14 for inline water storage for purposes of operational flexibility;

2.11 WHEREAS, in Section 40901 of Pub. L. 117-58, the United States Congress authorized and appropriated to the Secretary, acting through Reclamation, for the period of fiscal years 2022 through 2026, \$3,200,000,000 for the Aging Infrastructure Account established by Section 9603 of Pub. L. 111-11;

2.12 WHEREAS, Pursuant to Section 9603 of Pub. L. 111-11, the Secretary, acting through Reclamation, is authorized to provide funds for Extraordinary Operation and Maintenance (“XM”) Work on a project facility that Reclamation determines to be reasonably required to

preserve the structural safety of the project facility and negotiate appropriate repayment contracts with project beneficiaries providing for repayment of those XM Work costs, with interest;

2.13 WHEREAS, Reclamation has determined that the XM Project in this Repayment Contract meets the definition of “Extraordinary Operation and Maintenance Work” (Title IX, Section 9601 of Pub. L. 111-11);

2.14 WHEREAS, Reclamation, in consultation with CVWD, has determined that XM Work is needed on the CCLP, the cost of which is greater than \$100,000 or greater than 10 percent of CVWD’s annual operation and maintenance budget for the CCLP, to ensure the continued safe, dependable, and reliable delivery of the authorized project benefits;

2.15 WHEREAS, the repayment of XM Project Costs will be structured consistent with Pub. L. 111.11, Section 9603;

2.16 WHEREAS, deferrals are not authorized under the XM authority provided by Pub. L. 117-58 or Pub. L. 111-11; and

2.17 WHEREAS, Reclamation has determined that this XM Repayment Contract complies with all applicable Federal, State, and local laws, rules, and regulations, including but not limited to the National Environmental Policy Act of 1969 (Pub. L. 91-190), as amended and supplemented, (42 U.S.C. § 4321, et seq.), the Endangered Species Act (16 U.S.C. § 1531, et seq.), and the National Historic Preservation Act of 1966, October 15, 1966, as amended (Pub. L. 89-665; 80 Stat.: 915; 16 U.S.C. § 470 et seq.), as required.

NOW THEREFORE, In consideration of the mutual and dependent covenants herein contained, the Parties mutually agree as follows:

3. DEFINITIONS When used in this Repayment Contract, the term:

3.1 “Commencement of XM Work” shall mean the following three conditions have

been met: 1. A repayment contract for the XM Work has been executed; 2. Funding from the Aging Infrastructure Account has been requested; and 3. Expenditures have been made for which Aging Infrastructure Account funding has been awarded for at least one of the following activities: a. Planning; b. Design; c. Environmental compliance; d. Permitting; or e. Construction.

3.2 “Contracting Officer” means the Secretary of the Interior’s duly authorized representative acting pursuant to this Repayment Contract and applicable Federal Reclamation law or regulation.

3.3 “Exhibit A” is an Example Interest on Investment (IOI) and Loan Amortization (Repayment) Schedule Calculation Worksheet.

3.4 “Exhibit B” is the IOI Accrual and Repayment Schedule for the Project.

3.5 “Exhibit C” is the Standard Form-425 Federal Financial Reporting CVWD must use to meet financial reporting requirements provided in Article 8 herein.

3.6 “Exhibit D” provides the requirements with which CVWD must comply regarding the Buy America Domestic Procurement Preference pursuant to Pub. L. 117-58.

3.7 “Existing Contracts” means Contract No. Ilr-781, dated October 15, 1934, as supplemented December 22, 1947, between the United States and CVWD.

3.8 “Extraordinary Operation and Maintenance Work” or “XM Work” (consistent with Pub. L. 111-11) shall mean major nonrecurring maintenance to United States-owned or operated facilities, or facility components, that is intended to ensure the continued safe, dependable, and reliable delivery of authorized project benefits, the cost of which is greater than 10 percent of CVWD’s annual operations, maintenance, and replacement budget for the CCLP, or greater than \$100,000.

3.9 “Extraordinary Maintenance Project,” “XM Project,” or shall mean removal of the

concrete lining between Siphons 11 and 14 of the Coachella Canal, replacement of the lining in portions of that section with a clay lining, and widening of the Coachella Canal prism between Siphons 11 and 14 for inline water storage to provide operational flexibility.

3.10 “Extraordinary Maintenance Project Costs” or “XM Project Costs” shall be all costs incurred by the United States in accordance with the terms of this Repayment Contract directly related to the XM Project. Subject to the provisions of this Repayment Contract, the term shall include, but is not necessarily limited to engineering and design costs, construction costs, and project close out costs.

3.11 “Fiscal Year” shall mean the period October 1 through September 30 of the following year.

3.12 “Interest on Investment” or “IOI” shall mean interest that accrues on the unamortized balance of the cost of XM Work funded by the United States, commencing upon the disbursement of funds, as reflected in Exhibit B herein.

3.13 “Reimbursable” shall mean requiring repayment to the United States pursuant to applicable legislation. For the purposes of the XM Project, all Reimbursable funds will be provided and recovered pursuant to Title IX, Subtitle G of the Omnibus Public Land Management Act of 2009 (Act of March 30, 2009, Pub. L. 111-11; 43 U.S.C. §510), and under the terms of this Repayment Contract.

3.14 “Repayment Obligation” shall mean the entire sum of funds disbursed by the United States to CVWD plus accrued interest, all as determined by the Contracting Officer in accordance with this Repayment Contract.

3.15 “Substantial Completion” or “Substantially Complete” shall mean, after consultation with CVWD, the written determination by the Contracting Officer, or the Contracting

Officer's designee, that the XM Work is sufficiently complete so that CVWD can use, operate, or occupy the specific XM Project works for its intended purpose.

3.16 "Year" shall mean the period January 1 through December 31, both dates inclusive.

4. TERM OF THE REPAYMENT CONTRACT

4.1 This Repayment Contract will become effective on the date first written above and will remain in effect until CVWD has fully repaid its Repayment Obligation to the United States as described in Article 7 and as will be Exhibit B herein. Exhibit B will be finalized upon the Contracting Officer's issuance of the written notice of Substantial Completion. Said notice will be provided consistent with Article 20, Notices.

5. DESCRIPTION OF XM WORK CONSISTENT WITH SECTION 9603 OF PUB. L. 111-11

5.1 The concrete lining of the Coachella Canal between Siphons 11 and 14 will be removed. In this section of the Coachella Canal, the concrete lining will be replaced with a clay lining, as necessary. The prism of the Coachella Canal between Siphons 11 and 14 will be widened to provide for inline water storage to provide operational flexibility. CVWD will perform the XM Work.

5.2 All designs, specifications and work performed under this Repayment Contract shall be approved in advance and in writing by the Contracting Officer. The XM work may be modified upon advanced written request by CVWD and advanced written approval by the Contracting Officer in accordance with Federal Reclamation law and policy.

6. FUNDS TO BE PROVIDED

6.1 Upon execution of this Repayment Contract, the United States shall provide CVWD with funds up to \$7,500,000.00 for the anticipated XM Project Cost of the XM Work on

the Coachella Canal between Siphons 11 and 14 pursuant to this Repayment Contract.

6.2 Notwithstanding Article 18 herein, the Contracting Officer's costs to provide oversight and inspection of XM Work will be Reimbursable by CVWD. The Contracting Officer, after consultation with CVWD, will provide a statement of work within 30 days of the effective date provided in Article 4 of this Repayment Contract. The statement of work will include an estimate of costs to be incurred by the United States for any inspection and oversight activities to be performed by the Contracting Officer, including but not limited to the cost of salaries, travel, per diem, leave of employees, and overhead and general expense of the United States. If the Contracting Officer determines that the actual costs are likely to exceed the estimated costs the Contracting Officer will notify CVWD and, after consultation with CVWD, provide CVWD with a revised written estimate. The oversight and inspection will be coordinated by the United States with CVWD.

6.3 CVWD will use the funds advanced solely to finance the XM Work and will return all unexpended, unobligated, or unencumbered funds within 30 days after the date on which the Contracting Officer determines and notifies CVWD in writing that the XM Work is Substantially Complete.

7. CVWD'S REPAYMENT OBLIGATION

7.1 CVWD must repay the entire Repayment Obligation.

7.2 In accordance with Section 9603(b)(3) of Pub. L. 111-11, the interest rate used for computing interest on XM Work in progress and interest on the unpaid balance of the Repayment Obligation for the XM Work will be the rate determined by the Secretary of the Treasury that is in effect for the Fiscal Year in which funds are disbursed for the XM Work under this Repayment Contract, on the basis of average market yields on outstanding marketable obligations of the United

States with the remaining periods of maturity comparable to the applicable reimbursement period of the XM Work, adjusted to the nearest 1/8 of 1 percent. Interest accrual will commence on each date funds are advanced by the United States to CVWD for XM Work and interest will be computed on an annual basis on the unpaid balance of the reimbursable costs for XM Work as determined by the Contracting Officer.

7.3 Within 90 days following completion of the XM Work on the Project, CVWD will provide the Contracting Officer with proof of expenditures and as-built drawings associated with the Project to support the use of funds advanced by the Contracting Officer for XM Work pursuant to this Repayment Contract.

7.4 As soon as practicable following the Contracting Officer's written determination that the XM Work on the Project is Substantially Complete, and after consultation with CVWD, the Contracting Officer will provide CVWD with the final repayment schedule requiring equal annual installments within the term provided in subarticle 7.5 of this Repayment Contract, beginning with the first installment as provided in subarticle 7.6 of this Repayment Contract, which schedule will be incorporated into this Repayment Contract as applicable in Exhibit B which are the interest accrual and repayment schedule for the Project, and which may be revised by the Contracting Officer without amendment of this Repayment Contract.

7.5 The Repayment Obligation amounts associated with the XM Work will be repaid within thirty (30) years from the date of the first payment.

7.6 The first Repayment Obligation installment for the XM Work will be due and payable on May 1 of the Year following the Year in which the Contracting Officer notifies CVWD in writing that the XM Work is Substantially Complete. Subsequent Repayment Obligation installments are due on May 1 of each Year until CVWD has fully repaid to the United States its

Repayment Obligation.

7.7 CVWD may, at any time, prepay all or a portion of the unpaid Repayment Obligation as provided herein without prepayment penalty.

8. REPORTING REQUIREMENTS

8.1 CVWD must provide progress, financial status, and closeout reports to the Deputy Area Manager, Yuma Area Office.

8.2 Progress Reports: From Commencement of XM Work through Substantial Completion of XM Work, CVWD shall provide by November 15 of each year, a narrative description of the XM Work performed during the previous Fiscal Year. The narrative shall describe the XM Work accomplished, the percentage of XM Work completed, and CVWD's assessment of the progress of the XM Work including any problems encountered and corrective actions taken. CVWD shall also provide its assessment of any issues that may impact or pose a future risk to cost, scope, or XM Work schedule. For projects in the construction phase, the report shall include an updated construction schedule generated by the construction subcontractor.

8.3 Financial Reports: From Commencement of XM Work through Substantial Completion of XM Work, on or before forty-five (45) days after the end of a quarter (January 1 through March 30; April 1 through June 30; July 1 through September 30; and October 1 through December 31), CVWD shall electronically provide quarterly financial reports using Exhibit C Standard Form-425 (Federal Financial Report), including supporting documents sufficient to reconcile the reported information as follows:

8.3.1 Quarterly Revenue & Expenditures (budget, expenditures, balance of funds)

8.3.2 Quarterly Balance Sheet

8.3.3 Quarterly Detailed Trial Balance

8.3.4 Monthly Bank Statements & Reconciliations for the Quarter

8.4 Closeout Report: Following Substantial Completion of the XM Work for this XM Project, CVWD shall provide a closeout report. At a minimum, the closeout report shall include:

8.4.1 A summary of XM Work accomplished and the extent to which the goals and objectives of the XM Project were accomplished; and

8.4.2 A final accounting of dollar amounts and the purposes for which Federal funds were advanced to CVWD for the XM Project and the dollar amount of any unexpended Federal funds advanced for the XM Project which CVWD will return to Reclamation.

9. BUY AMERICA DOMESTIC PROCUREMENT PREFERENCE

9.1 Subject to any waivers the Secretary may authorize, as of May 14, 2022, Sections 70911-70917 of Pub. L. 117-58, known as the Build America, Buy American provisions, institute a domestic procurement preference for financial assistance that may fund an infrastructure project. CVWD shall comply with the domestic procurement preference of the Build America, Buy America requirements provided in Exhibit D attached herein as they may apply to this Repayment Contract.

10. PRESERVATION OF EXISTING CONTRACTS

10.1 Except as specifically provided in this Repayment Contract, the Existing Contracts will continue in full force and effect as originally written, executed, and amended.

11. TITLE TO REMAIN IN THE UNITED STATES

11.1 Title to the XM Project works will be and will remain in the name of the United States unless otherwise provided by Congress, notwithstanding the full payment to the United States of the Repayment Obligation under this Repayment Contract.

12. SEVERABILITY

12.1 In the event that any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Repayment Contract; instead, this Repayment Contract will be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein, unless the deletion of such provisions would result in such a material change so as to cause the fundamental benefits afforded the Parties to this Repayment Contract to become unavailable or materially altered.

13. RESOLUTION OF DISPUTES

13.1 All actions by the United States shall be binding unless and until reversed or modified in accordance with the provisions herein.

13.2 Any disputes or disagreements as to interpretation or performance of the provisions of this Repayment Contract shall be presented to and decided by the Contracting Officer. The Contracting Officer shall be deemed to have denied the other Party's contention or claim if it is not acted upon within sixty (60) days of its having been presented. The decision of the Contracting Officer shall be final.

13.3 Upon a decision becoming final, the disputing Party's remedy lies with the appropriate Federal court.

13.4 The Parties may, by mutual consent, agree to use alternative dispute resolution to resolve any disputes or disagreements as the interpretation or performance of the provisions of this Repayment Contract. Each Party shall bear its own costs for alternative dispute resolution participation.

14. CONTRACTS WITH THIRD PARTIES

14.1 CVWD shall advertise each construction (as "construction" is defined in the

Federal Acquisition Regulations (FAR) at 48 C.F.R. § 2.101), equipment, or supply contract exceeding \$25,000 (twenty-five thousand dollars) for competitive bidding. Any action proposed by CVWD other than making the award to the lowest responsible bidder shall be subject to the Contracting Officer's approval.

14.2 For all construction contracts exceeding \$100,000 (one hundred thousand dollars), CVWD shall require construction contractors to furnish performance and payment bonds, each in amounts equal to at least 100 percent of the contract price. For construction contracts exceeding \$30,000 (thirty thousand dollars), but not exceeding \$100,000 (one hundred thousand dollars), the Contracting Officer shall select at least two of the payment protections set forth in the FAR at 48 C.F.R. § 28.102-1(b)(1), and CVWD shall require the construction contractor to secure one of the selected protections. Supply and equipment contractors may be required to furnish performance bonds on supply or equipment contracts exceeding \$100,000 (one hundred thousand dollars) when the contract calls for substantial progress payments before delivery of end items

14.3 The United States shall not be a party to or obligated in any manner by contracts entered into between CVWD and other parties pursuant to this Repayment Contract.

15. FAILURE TO COMPLETE WORK

15.1 In the event that CVWD fails to complete the work to be performed pursuant to this Repayment Contract for any reason other than the failure of the United States to appropriate and allocate funds, CVWD shall, upon receipt of written notice from the Contracting Officer, suspend payment on all current contracts and return to the United States any unexpended balance of funds advanced by the United States and contributed by CVWD in such amounts as determined to be equitable by the Contracting Officer. Following delivery of the notice, the Contracting Officer may adopt either of the following two alternatives:

15.2 Perform or cause to be performed, all or any part of the work remaining under this Repayment Contract and within the limits of the funds provided herein by the United States and by CVWD for the project, as well as operate and maintain the project concurrently. CVWD shall transfer to the United States custody and use of all equipment, materials, and supplies used or useful in the performance of the work; permit the United States, its contractors, and its agents ingress to and egress from lands, project works, and facilities of CVWD for the performance of such work; and assign to the United States CVWD's interest in any contract for the performance of work or the supplying of equipment or material in connection with such work where requested by the United States and agreed to by the other contracting party; or

15.3 Declare the project substantially complete within the provisions of this Repayment Contract by giving written notice to CVWD that (a) the construction work on a feature is substantially complete, or (b) the feature is providing benefits and services for the intended purpose(s), or (c) the feature is generating revenue, where applicable. Repayment of the loan obligation shall be carried out in accordance with the provisions of this Repayment Contract; Provided, That the first annual payment shall become due in the year following the year in which CVWD is notified of such declaration of completion.

15.4 In the event the United States shall proceed as provided in 15.2 of this Article, the

United States may, at any time and regardless of the progress of work performed thereunder, declare the XM Work Substantially Complete by giving written notice thereof to CVWD, in which event the provisions of 15.3 of this Article shall apply; Provided, That the loan obligation shall not exceed the limitation specified in this Repayment Contract, including all expenditures made pursuant to provisions of 15.2 of this Article.

15.5 Upon giving written notice of XM Work Substantial Completion to CVWD as provided above, the United States shall have the right, without further notice, to take over the care, operation, and maintenance of the Coachella Canal and the CCLP.

16. CHARGES FOR DELINQUENT PAYMENTS

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

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

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

17. OPERATION, MAINTENANCE, AND REPLACEMENT (OM&R) OF TRANSFERRED WORKS

17.1 Upon substantial completion of transferred works, or as otherwise determined by the Contracting Officer, and following written notification, the OM&R responsibilities for any or all of those works may be transferred to CVWD. Title to the transferred works will remain in the name of the United States, unless otherwise provided by the Congress of the United States.

17.2 CVWD, without expense to the United States, will care for and perform OM&R of the transferred works in full compliance with the terms of this Repayment Contract and in such a manner that the transferred works remain in good and efficient condition.

17.3 Necessary repairs of the transferred works will be made promptly by CVWD. In case of unusual conditions or serious deficiencies in the care, operation, maintenance, and replacement of the transferred works threatening or causing interruption of water service, the

Contracting Officer may issue to CVWD a special written notice of those necessary repairs. Except in the case of an emergency, CVWD will be given 60 days to either: 1) make the necessary repairs, or 2) submit a plan for accomplishing the repairs that contains a timeframe for completing the necessary repairs acceptable to the Contracting Officer. In the case of an emergency, or if CVWD fails to either make the necessary repairs or submit a plan for accomplishing the repairs acceptable to the Contracting Officer within 60 days of receipt of the notice, the Contracting Officer may cause the repairs to be made, and the cost of those repairs will be paid by CVWD as directed by the Contracting Officer. The Contracting Officer will determine whether an emergency exists requiring immediate repairs or if circumstances will allow for repairs to be made, or a plan to be submitted, within 60 days of receipt of notice.

17.4 CVWD will not make any substantial changes in the transferred works without first obtaining written consent of the Contracting Officer.

17.5 CVWD will take all reasonable measures to prevent any unauthorized encroachment on project land and rights-of-way and address any such encroachment as soon as CVWD becomes aware of its existence.

17.6 Except for the sole negligence and intentional torts committed by employees of the United States, CVWD agrees to indemnify the United States for, and hold the United States and all of its representatives harmless from, all damages resulting from suits, actions, or claims of any character, brought on account of any injury to any person or property arising out of any act, omission, neglect, or misconduct in the manner or method of performing any construction, care, operation, maintenance, and replacement; and supervision, examination, inspection, or other duties of CVWD or the United States on transferred works required under this Repayment Contract, regardless of who performs those duties.

17.7 In the event CVWD is found to be operating the transferred works or any part thereof in violation of this Repayment Contract or CVWD is found to be failing any financial commitments or other commitments to the United States under the terms and conditions of this Repayment Contract, then upon the election of the Contracting Officer, the United States may take over from CVWD the care, operation, maintenance, and replacement of the transferred works by giving written notice to CVWD of such election and the effective date thereof. Thereafter, during the period of operation by the United States, upon notification by the Contracting Officer, CVWD will pay to the United States, annually in advance, the cost of care, operation, maintenance, and replacement of the works as determined by the Contracting Officer. Following written notification from the Contracting Officer, the care, operation, maintenance, and replacement may be transferred back to CVWD.

17.8 Nothing in this Article will be deemed to waive the sovereign immunity of the United States.

18. EXAMINATION, INSPECTION, AND AUDIT OF PROJECT WORKS, RECORDS, AND REPORTS FOR DETERMINING ADEQUACY OF OPERATION AND MAINTENANCE

18.1 The Contracting Officer may, from time to time, examine the following: CVWD's books, records, and reports; the project works being operated by CVWD; the adequacy of the operation and maintenance; the reserve fund; and the water conservation program including the water conservation fund, if applicable. Notwithstanding title ownership, where the United States retains a financial, physical, or liability interest in facilities either constructed by the United States or with funds provided by the United States, the Contracting Officer may examine any or all of the project works providing such interest to the United States.

18.2 The Contracting Officer may, or CVWD may ask the Contracting Officer to, conduct special inspections of any project works being operated by CVWD and special audits of CVWD's books and records to ascertain the extent of any operation and maintenance deficiencies to determine the remedial measures required for their correction and to assist CVWD in solving specific problems. Except in an emergency, any special inspection or audit shall be made only after written notice thereof has been delivered to CVWD by the Contracting Officer.

18.3 CVWD shall provide access to the project works, operate any mechanical or electrical equipment, and be available to assist in the examination, inspection, or audit.

18.4 The Contracting Officer shall prepare reports based on the examinations, inspections, or audits and furnish copies of such reports and any recommendations to CVWD.

18.5 Except as otherwise provided in subarticle 6.2 herein, the costs incurred by the United States in conducting operation and maintenance examinations, inspections, and audits and preparing associated reports and recommendations related to high- and significant-hazard dams and associated facilities shall be nonreimbursable. Associated facilities include carriage, distribution, and drainage systems; pumping and pump-generating plants; powerplant structures; tunnels/pipelines; diversion and storage dams (low-hazard); Type 2 bridges which are Reclamation-owned bridges not located on a public road; regulating reservoirs (low-hazard); fish passage and protective facilities, including hatcheries; river channelization features; rural/municipal water systems; desalting and other water treatment plants; maintenance buildings and service yards; facilities constructed under Federal loan programs (until paid out); and recreation facilities (reserved works only); and any other facilities as determined by the Contracting Officer.

18.6 Expenses incurred by CVWD, as applicable, in participating in the operation and maintenance site examination will be borne by CVWD.

18.7 Requests by CVWD for consultations, design services, or modification reviews, and the completion of any operation and maintenance activities identified in the formal recommendations resulting from the examination (unless otherwise noted) are to be funded as project operation and maintenance and are reimbursable by CVWD to the extent of current project operation and maintenance allocations.

18.8 Site visit special inspections that are beyond the regularly scheduled operation and

maintenance examinations conducted to evaluate particular concerns or problems and provide assistance relative to any corrective action (either as a follow up to an operation and maintenance examination or when requested by CVWD) shall be nonreimbursable.

18.9 The Contracting Officer may provide the State of California an opportunity to observe and participate in, at its own expense, the examinations and inspections. The State of California may be provided copies of reports and any recommendations relating to such examinations and inspections.

19. EMERGENCY RESERVE FUND

19.1 The Existing Contracts require CVWD to accumulate and maintain a reserve fund balance of \$100,000.00 or demonstrate to the satisfaction of the Contracting Officer that other funds are available for use as an emergency reserve fund. CVWD shall maintain that emergency reserve fund to meet costs incurred during periods of special stress caused by damaging droughts, storms, earthquakes, floods, or other emergencies threatening or causing interruption of water service.

19.2 CVWD shall accumulate the reserve fund with annual deposits or investments of not less than \$20,000.00 to a Federally insured, interest- or dividend-bearing account or in securities guaranteed by the Federal Government: Provided, That money in the reserve fund, including accrued interest, shall be available within a reasonable time to meet expenses for such purposes as those identified in paragraph 19.4 herein. Following an emergency expenditure from the fund, the annual deposits of \$20,000.00 shall continue from the year following the emergency expenditure until the previous balance is restored. After the initial amount is accumulated or after the previous balance is restored, the annual deposits may be discontinued, and the interest earnings shall continue to accumulate and be retained as part of the reserve fund.

19.3 Upon mutual written agreement between CVWD and the Contracting Officer, the basic reserve fund or the accumulated reserve fund may be adjusted to account for risk and uncertainty stemming from the size and complexity of the project; the size of the annual operation and maintenance budget; additions to, deletions from, or changes in project works; and operation and maintenance costs not contemplated when this Repayment Contract was executed.

19.4 CVWD may make expenditures from the reserve fund only for meeting routine or recurring operation and maintenance costs incurred during periods of special stress, as described in paragraph 19.1 herein; or for meeting unforeseen extraordinary operation and maintenance costs; or for meeting unusual or extraordinary repair or replacement costs; or for meeting betterment costs (in situations where recurrence of severe problems can be eliminated) during periods of special stress. Proposed expenditures from the fund shall be submitted to the Contracting Officer in writing for review and written approval prior to disbursement. Whenever the reserve fund is reduced below the current balance by expenditures therefrom, CVWD shall restore that balance by the accumulation of annual deposits as specified in paragraph 19.2 herein.

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

19.6 On or before February 1 of each year, CVWD shall provide a current statement of the principal and accumulated interest of the reserve fund account to the Contracting Officer.

20. NOTICES

20.1 Any notice, demand, or request authorized or required by this Repayment Contract will be deemed to have been given, on behalf of CVWD, when mailed, postage prepaid, or delivered to the Bureau of Reclamation, Area Manager, Yuma Area Office, 7301 Calle Agua Salada, Yuma AZ 85364 and on behalf of the United States, when mailed, postage prepaid, or delivered to the General Manager, Coachella Valley Water District, 75515 Hovley Lane East, Palm Desert, CA 92211. 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.

20.2 This Article 20.1 herein will not preclude the effective service of such notices by other mutually agreeable measures.

21. CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

21.1 The expenditure or advance of any money or the performance of any obligation of the United States under this Repayment Contract will be contingent upon appropriation or allotment of funds. Absence of appropriation or allotment of funds will not relieve CVWD from any obligations under this Repayment Contract. No liability will accrue to the United States in case funds are not appropriated or allotted

22. OFFICIALS NOT TO BENEFIT

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

23. CHANGES IN CONTRACTOR'S ORGANIZATION

23.1 While this Repayment Contract is in effect, no change may be made in CVWD's organization, by inclusion or exclusion of lands in Improvement District 1 or by any other changes which may affect the respective rights, obligations, privileges, and duties of either the United States or CVWD under this Repayment Contract including, but not limited to, dissolution, consolidation, or merger, except upon the Contracting Officer's written consent.

24. ASSIGNMENT LIMITED—SUCCESSORS AND ASSIGNS OBLIGATED

24.1 The provisions of this Repayment Contract will apply to and bind the successors and assigns of the respective Parties, but no assignment or transfer of this Repayment Contract or any right or interest therein by either Party will be valid until approved in writing by the other Party.

25. BOOKS, RECORDS, AND REPORTS

25.1 CVWD will establish and maintain accounts and other books and records pertaining

to administration of the terms and conditions of this Repayment Contract, including CVWD financial transactions; water supply data; project operation, maintenance, and replacement logs; project lands and rights-of-way use agreements; and other matters that the Contracting Officer may require. Reports will be furnished to the Contracting Officer in such form and on such date or dates as the Contracting Officer may require. Subject to applicable Federal law and regulations, each Party to this Repayment Contract will 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 Repayment Contract.

26. COMPLIANCE WITH FEDERAL RECLAMATION LAWS

26.1 The Parties agree that the delivery of irrigation water or use of Federal facilities pursuant to this Repayment Contract is subject to Federal reclamation law, as amended and supplemented, and the rules and regulations promulgated by the Secretary under Federal reclamation law.

26.2 The Contracting Officer will have the right to make determinations necessary to administer this Repayment Contract that are consistent with its expressed and implied provisions, the laws of the United States and the State of California, and the rules and regulations promulgated by the Secretary. Such determinations will be made in consultation with CVWD.

27. ADMINISTRATION OF FEDERAL PROJECT LANDS

27.1 The lands and interests in lands acquired, withdrawn, or reserved and needed by the United States for the purposes of care, operation, and maintenance of Coachella Canal and appurtenant works may be used by CVWD for such purposes. CVWD shall ensure that no unauthorized encroachment occurs on Federal project lands and rights-of-way. CVWD does not have the authority to issue any land-use agreement or grant that conveys an interest in Federal real property, nor to lease or dispose of any interest of the United States.

27.2 The United States retains responsibility for compliance with the National Historic Preservation Act of 1966 (NHPA), and the Native American Graves Protection and Repatriation Act of 1990 (NAGPRA). CVWD will notify the Contracting Officer and, only when on tribal land, also notify the appropriate tribal official, immediately upon the discovery of any potential historic properties or Native American human remains, funerary objects, sacred objects, or objects of cultural patrimony.

28. PROTECTION OF WATER AND AIR QUALITY

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

28.2 The United States does not warrant the quality of the water delivered to CVWD and is under no obligation to furnish or construct water treatment facilities to maintain or improve the quality of water delivered to CVWD.

28.3 CVWD will comply with all applicable water and air pollution laws and regulations of the United States and the State of California; and will obtain all required permits or licenses from the appropriate Federal or State authorities necessary for the delivery of water by CVWD; and will be responsible for compliance with all Federal and State water quality standards applicable to surface and subsurface drainage and/or discharges generated through the use of Federal or CVWD facilities or project water provided by CVWD within its project water service area.

28.4 This Article will not affect or alter any legal obligations of the Secretary to provide drainage or other discharge services.

29. CONTAMINATION OR POLLUTION OF FEDERAL PROPERTY

29.1 CVWD shall not allow contamination or pollution of Federal project lands, project waters, or project works of the United States or administered by the United States and for which CVWD has the responsibility for care, operation, and maintenance by its employees or agents. CVWD shall also take reasonable precautions to prevent such contamination or pollution by third parties.

29.2 CVWD shall comply with all applicable Federal and State laws and regulations and Reclamation policies and instructions existing, or hereafter enacted or promulgated, concerning any hazardous material that will be used, produced, transported, stored, released, or disposed of on or in Federal project lands, project waters, or project works.

29.3 “Hazardous material” means (1) any substance falling within the definition of “hazardous substance,” “pollutant or contaminant,” or “hazardous waste” under the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601(14), (29), and (33)); (2) oil, as defined by the Clean Water Act (33 U.S.C. § 1321(a)) and the Oil Pollution Act (33 U.S.C. § 2701(23)); (3) thermal pollution, refuse, garbage, sewage effluent, industrial waste, mine or mill tailings, mineral salts, pesticides, and other solid waste, and (4) any other substance regulated as hazardous or toxic under Federal or State law.

29.4 Upon discovery of any event which may or does result in contamination or pollution of Federal project lands, project water, or project works, CVWD shall immediately undertake all measures necessary to protect public health and the environment, including measures necessary to contain or abate any such contamination or pollution, and shall report such discovery with full details of the actions taken to the Contracting Officer. Reporting shall be within a reasonable time period but shall not exceed 24 hours from the time of discovery if it is an emergency and the first working day following discovery in the event of a non-emergency.

29.5 If violation of the provisions of this Article occurs and CVWD does not take immediate corrective action, as determined by the Contracting Officer, CVWD may be subject to remedies imposed by the Contracting Officer.

29.6 CVWD shall be liable for any response action or corrective measure necessary to protect public health and the environment or to restore Federal project lands, project waters, or project works that are adversely affected as a result of such violation, and for all costs, penalties

or other sanctions that are imposed for violation of any Federal or State laws and regulations concerning hazardous material.

29.7 CVWD shall defend, indemnify, protect and save the United States harmless from and against any costs, expenses, claims, damages, demands, or other liability arising from or relating to CVWD's violation of this Article.

29.8 Reclamation agrees to provide information necessary for CVWD, using reasonable diligence, to comply with the provisions of this Article.

30. CLEAN AIR AND WATER

30.1 CVWD agrees as follows:

30.1.1 To comply with all the requirements of section 114 of the Clean Air Act, as amended (42 U.S.C. § 7414), and section 308 of the Clean Water Act (33 U.S.C. § 1318), relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in those sections, and all applicable regulations and guidelines issued thereunder.

30.1.2 That no portion of the work required by this Repayment Contract will be performed in a facility listed on the Environmental Protection Agency List of Violating Facilities on the date when this Repayment Contract was executed unless and until the Environmental Protection Agency eliminates the name of such facility or facilities from such listing.

30.1.3 To use its best efforts to comply with clean air standards and clean water standards at the facility where the Repayment Contract work is being performed.

30.1.4 To insert the substance of the provisions of this article into any nonexempt subcontract, including this subparagraph 30.1.4.

30.2 The following definitions apply for purposes of this Article:

30.2.1 The term "Clean Air Act" means the Act enacted by Pub. L. 88-206 of Dec. 17, 1963, and amendments thereto, as codified at 42 U.S.C. § 7401, et seq.

30.2.2 The term "Clean Water Act" means the Act enacted by Pub. L. 92-500 of Oct. 18, 1972, and amendments thereto, as codified at 33 U.S.C. § 1251, et seq.

30.2.3 The term "clean air standards" refers to all enforceable rules, regulations, guidelines, standards, limitations, orders, controls, prohibitions, and other requirements which are contained in, issued under, or otherwise adopted pursuant to the Clean Air Act or Executive Order 11738, an applicable implementation plan as described in section 110 of the Clean Air Act (42 U.S.C. § 7410), an approved implementation procedure or plan under subsection 111(c) or subsection 111(d) of the Clean Air Act (42 U.S.C. § 7411(c) or (d)), or an approved implementation procedure under subsection 112(d) of the Clean Air Act (42 U.S.C. § 7412(d)).

30.2.4 The term "clean water standards" refers to all enforceable limitations, controls, conditions, prohibitions, standards, and other requirements which are promulgated

pursuant to the Clean Water Act or contained in a permit issued to a discharger by the Environmental Protection Agency or by a state under an approved program, as authorized by section 402 of the Clean Water Act (33 U.S.C. § 1342), or by local government to ensure compliance with pretreatment regulations as required by section 307 of the Clean Water Act (33 U.S.C. § 1317).

30.2.5 The term “comply” refers to compliance with clean air or water standards. It also refers to compliance with a schedule or plan ordered or approved by a court of competent jurisdiction, the Environmental Protection Agency, or an air or water pollution control agency in accordance with the requirements of the Clean Air Act or Clean Water Act and regulations issued pursuant thereto.

30.2.6 The term “facility” means any building, plant, installation, structure, mine, vessel or other floating craft, location, or site of operations owned, leased, or supervised by a contractor or subcontractor to be utilized in the performance of a contract or subcontract. Where a location or site of operations contains or includes more than one building, plant, installation, or structure, the entire location or site shall be deemed to be a facility except where the Director, Office of Federal Activities, Environmental Protection Agency, determines that independent facilities are collocated in one geographical area.

31. EQUAL EMPLOYMENT OPPORTUNITY

31.1 During the performance of this Repayment Contract, CVWD agrees as follows:

31.1.1 CVWD will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. CVWD will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. CVWD 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.

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

31.1.3 CVWD will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision will not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee’s essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal

complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with CVWD's legal duty to furnish information.

31.1.4 CVWD shall send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency Contracting Officer, advising the labor union or workers' representative of CVWD'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.

31.1.5 CVWD will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules regulations and relevant orders of the Secretary of Labor.

31.1.6 CVWD will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records and accounts by the Contracting Agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

31.1.7 In the event of CVWD's noncompliance with the nondiscrimination clauses of this Repayment Contract or with any of the said rules, regulations or orders, CVWD may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

31.1.8 CVWD will include the provisions of subarticles 32.1.1 through 32.1.8 herein 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 Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. CVWD 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 CVWD becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, CVWD may request the United States to enter into such litigation to protect the interests of the United States.

32. COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

32.1 CVWD shall comply with Title VI of the Civil Rights Act of 1964 (P L. 88-352; 42 U.S.C. § 2000d), the Rehabilitation Act of 1975 (Pub. L. 93-112, Title V, as amended; 29 U.S.C. §791, et seq.), the Age Discrimination Act of 1975 (Pub. L. 94-135, Title III; 42 U.S.C. § 6101, et seq.), Title III of the Americans with Disabilities Act of 1990 (Pub. L. 101-336; 42 U.S.C. § 12181, et seq.), and any other applicable civil rights laws, and with the applicable implementing regulations and any guidelines imposed by the U.S. Department of the Interior and/or Bureau of Reclamation.

32.2 These statutes prohibit any person in the United States from being excluded from participation in, being denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving financial assistance from the Bureau of Reclamation on the grounds of race, color, national origin, disability, or age. By executing this Repayment Contract, CVWD agrees to immediately take any measures necessary to implement this obligation, including permitting officials of the United States to inspect premises, programs and documents.

32.3 CVWD makes this Repayment 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 CVWD by Reclamation, including installment payments after such date on account of arrangements for Federal financial assistance which were approved before such date. CVWD recognizes and agrees that such Federal assistance will be extended in reliance on the representations and agreements made in this Article, and that the United States reserves the right to seek judicial enforcement thereof.

32.4 Complaints of discrimination against CVWD shall be investigated by the Contracting Officer's Office of Civil Rights.

33. CERTIFICATION OF NONSEGREGATED FACILITIES

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

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES

A Certification of Nonsegregated Facilities must be submitted prior to the award of a subcontract exceeding \$10,000 which is not exempt from the provisions of the Equal Employment Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually). Note: The penalty for

making false statements in offers is prescribed in 18 U.S.C. § 1001.

34. PEST MANAGEMENT

34.1 CVWD is responsible for complying with applicable Federal, State, and local laws, rules, and regulations related to pest management in performing its responsibilities under this Repayment Contract.

34.2 CVWD is responsible for effectively avoiding the introduction and spread of, and for otherwise controlling, undesirable plants and animals, as defined by the Contracting Officer, on or in Federal project lands, Federal project waters, and Federal project works for which and to the extent that CVWD has operation and maintenance responsibility. CVWD is responsible for exercising the level of precaution necessary in meeting this responsibility, including inspecting its vehicles, watercraft, and equipment for reproductive and vegetative parts, foreign soil, mud or other debris that may cause the spread of weeds, invasive species and other pests, and removing such materials before moving its vehicles, watercraft, and equipment onto any Federal land, into any Federal project facility waters, or out of any area on Federal project land where work is performed.

34.3 Where decontamination of CVWD's vehicles, watercraft, or equipment is required prior to entering Federal project land or waters, the decontamination shall be performed by CVWD at the point of prior use, or at an approved offsite facility able to process generated cleaning wastes, pursuant to applicable laws, rules, and regulations. Upon the completion of work, CVWD will perform any required decontamination within the work area before moving the vehicles, watercraft, and equipment from Federal project lands and waters.

34.4 Programs for the control of undesirable plants and animals on Federal project lands, and in Federal project waters and Federal project works for which CVWD has operation and maintenance responsibility will incorporate Integrated Pest Management (IPM) concepts and practices. IPM refers to a systematic and environmentally compatible program to maintain pest populations within economically and environmentally tolerable levels. In implementing an IPM program, CVWD will adhere to applicable Federal and State laws and regulations and Department of the Interior and Reclamation policies, directives, guidelines, and manuals, including but not limited to, the Department of the Interior Manual, Part 517 *Integrated Pest Management Policy* and Part 609 *Weed Control Program*, the Plant Protection Act of June 20, 2000 (Pub. L. 106-224), and Executive Order 13112 of February 3, 1999.

35. MEDIUM FOR TRANSMITTING PAYMENTS

35.1 All payments from CVWD to the United States under this Repayment Contract shall be by the medium requested by the United States on or before the date payment is due. The required method of payment may include checks, wire transfers, or other types of payment specified by the United States.

35.2 Upon execution of the Repayment Contract, CVWD shall furnish the Contracting Officer with CVWD's taxpayer's identification number (TIN). The purpose for requiring CVWD's TIN is for collecting and reporting any delinquent amounts arising out of CVWD's

relationship with the United States.

36. THIRD PARTY BENEFICIARIES

36.1 This Repayment Contract is for the benefit of the Parties and does not inure to the benefit of any third party.

37. CONTRACT DRAFTING CONSIDERATIONS

37.1 This Repayment Contract has been negotiated and reviewed by the Parties hereto, each of whom is sophisticated in the matters to which this Repayment Contract pertains. Articles 1 through 39 of this Repayment Contract have been drafted, negotiated, and reviewed by the Parties, and no one Party will be considered to have drafted the stated articles.

38. COUNTERPARTS

38.1 This Repayment Contract may be executed in counterparts, each of which shall be an original and all of which, together, shall constitute only one Repayment Contract.

39. EXHIBITS MADE PART OF REPAYMENT CONTRACT

39.1 The Exhibits are attached hereto and made a part hereof, and each shall be in full force and effect in accordance with its respective provisions until superseded by a subsequent exhibit duly executed by the Parties in writing.

Signatures next page.

IN WITNESS WHEREOF, the Parties hereto have executed this Repayment Contract as of the day and year first above written.

THE UNITED STATES OF AMERICA

By: _____
Jacklynn L. Gould, P.E.
Regional Director
Interior Region 8: Lower Colorado Basin
Bureau of Reclamation

Signatures continued next page.

**COACHELLA VALLEY WATER
DISTRICT**

By: _____
General Manager

Attest:

Secretary

**EXAMPLE INTEREST ON INVESTMENT (IOD) AND LOAN AMORTIZATION
(REPAYMENT) SCHEDULE CALCULATION WORKSHEET**

1. This Exhibit A, made this _____ day of _____, 2022, to be effective under and as a part of Contract No. 22-XX-30-W0735 (Repayment Contract), hereinafter called “Exhibit A,” shall become effective on the date of the Repayment Contract’s execution and shall remain in effect until superseded by another Exhibit A executed by the Parties; Provided, That this Exhibit A or any superseding Exhibit A shall terminate with termination of the Repayment Contract.

2. Attached is an example worksheet for the amortization of the Repayment Obligation under this Repayment Contract.

Exhibit A
 Contract No. 22-XX-30-W0735
 Coachella Valley Water District

Example Interest on Investment and Loan Amortization (Repayment) Schedule Calculation Worksheet
 Extraordinary Maintenance - Project Name

Loan Amount (Repayment Obligation) =

Funds Disbursed

Plus Interest from Date of Disbursement of Funds to Date of First Payment, where Partial-Year Interest = Unpaid Balance * i * (Number of Days/365)

Annual Interest Rate:	i
Loan Period in Years (n):	30
Number of Payments per Year:	1
Date of Disbursement of Funds:	To be determined
Date of First Payment:	To be determined

Formula for Calculation of Periodic Repayment Factor (PR)
PR = $i / (1 - (1 / (1 + i)^n))$, where:
i = Periodic Interest Rate
n = Number of Periods
Scheduled Payment = Loan Amount * PR

Payment No. (Year)	Beginning Balance	Scheduled Payment	Interest Payment	Principal Payment	Ending Balance
1	= Loan Amount	= Loan Amount * PR	= Beginning Balance * i	= Scheduled Payment - Interest Payment	= Beginning Balance - Principal Payment
2	= Ending Balance Year 1	= Loan Amount * PR	= Beginning Balance * i	= Scheduled Payment - Interest Payment	= Beginning Balance - Principal Payment
3	= Ending Balance Year 2	= Loan Amount * PR	= Beginning Balance * i	= Scheduled Payment - Interest Payment	= Beginning Balance - Principal Payment
4	= Ending Balance Year 3	= Loan Amount * PR	= Beginning Balance * i	= Scheduled Payment - Interest Payment	= Beginning Balance - Principal Payment
5	= Ending Balance Year 4	= Loan Amount * PR	= Beginning Balance * i	= Scheduled Payment - Interest Payment	= Beginning Balance - Principal Payment
6	= Ending Balance Year 5	= Loan Amount * PR	= Beginning Balance * i	= Scheduled Payment - Interest Payment	= Beginning Balance - Principal Payment
7	= Ending Balance Year 6	= Loan Amount * PR	= Beginning Balance * i	= Scheduled Payment - Interest Payment	= Beginning Balance - Principal Payment
8	= Ending Balance Year 7	= Loan Amount * PR	= Beginning Balance * i	= Scheduled Payment - Interest Payment	= Beginning Balance - Principal Payment
9	= Ending Balance Year 8	= Loan Amount * PR	= Beginning Balance * i	= Scheduled Payment - Interest Payment	= Beginning Balance - Principal Payment
10	= Ending Balance Year 9	= Loan Amount * PR	= Beginning Balance * i	= Scheduled Payment - Interest Payment	= Beginning Balance - Principal Payment
11	= Ending Balance Year 10	= Loan Amount * PR	= Beginning Balance * i	= Scheduled Payment - Interest Payment	= Beginning Balance - Principal Payment
12	= Ending Balance Year 11	= Loan Amount * PR	= Beginning Balance * i	= Scheduled Payment - Interest Payment	= Beginning Balance - Principal Payment
13	= Ending Balance Year 12	= Loan Amount * PR	= Beginning Balance * i	= Scheduled Payment - Interest Payment	= Beginning Balance - Principal Payment
14	= Ending Balance Year 13	= Loan Amount * PR	= Beginning Balance * i	= Scheduled Payment - Interest Payment	= Beginning Balance - Principal Payment
15	= Ending Balance Year 14	= Loan Amount * PR	= Beginning Balance * i	= Scheduled Payment - Interest Payment	= Beginning Balance - Principal Payment
16	= Ending Balance Year 15	= Loan Amount * PR	= Beginning Balance * i	= Scheduled Payment - Interest Payment	= Beginning Balance - Principal Payment
17	= Ending Balance Year 16	= Loan Amount * PR	= Beginning Balance * i	= Scheduled Payment - Interest Payment	= Beginning Balance - Principal Payment
18	= Ending Balance Year 17	= Loan Amount * PR	= Beginning Balance * i	= Scheduled Payment - Interest Payment	= Beginning Balance - Principal Payment
19	= Ending Balance Year 18	= Loan Amount * PR	= Beginning Balance * i	= Scheduled Payment - Interest Payment	= Beginning Balance - Principal Payment
20	= Ending Balance Year 19	= Loan Amount * PR	= Beginning Balance * i	= Scheduled Payment - Interest Payment	= Beginning Balance - Principal Payment
21	= Ending Balance Year 20	= Loan Amount * PR	= Beginning Balance * i	= Scheduled Payment - Interest Payment	= Beginning Balance - Principal Payment
22	= Ending Balance Year 21	= Loan Amount * PR	= Beginning Balance * i	= Scheduled Payment - Interest Payment	= Beginning Balance - Principal Payment
23	= Ending Balance Year 22	= Loan Amount * PR	= Beginning Balance * i	= Scheduled Payment - Interest Payment	= Beginning Balance - Principal Payment
24	= Ending Balance Year 23	= Loan Amount * PR	= Beginning Balance * i	= Scheduled Payment - Interest Payment	= Beginning Balance - Principal Payment
25	= Ending Balance Year 24	= Loan Amount * PR	= Beginning Balance * i	= Scheduled Payment - Interest Payment	= Beginning Balance - Principal Payment
26	= Ending Balance Year 25	= Loan Amount * PR	= Beginning Balance * i	= Scheduled Payment - Interest Payment	= Beginning Balance - Principal Payment
27	= Ending Balance Year 26	= Loan Amount * PR	= Beginning Balance * i	= Scheduled Payment - Interest Payment	= Beginning Balance - Principal Payment
28	= Ending Balance Year 27	= Loan Amount * PR	= Beginning Balance * i	= Scheduled Payment - Interest Payment	= Beginning Balance - Principal Payment
29	= Ending Balance Year 28	= Loan Amount * PR	= Beginning Balance * i	= Scheduled Payment - Interest Payment	= Beginning Balance - Principal Payment
30	= Ending Balance Year 29	= Loan Amount * PR	= Beginning Balance * i	= Scheduled Payment - Interest Payment	= Beginning Balance - Principal Payment
Total		\$ -	\$ -	\$ -	

INTEREST ACCRUAL AND REPAYMENT SCHEDULE

1. This Exhibit B, made this _____ day of _____, 2022, to be effective under and as a part of Contract No. 22-XX-30-W0735 (Repayment Contract), hereinafter called "Exhibit B," shall become effective on the date of the Repayment Contract's execution and shall remain in effect until superseded by another Exhibit B executed by the Parties; Provided, That this Exhibit B or any superseding Exhibit B shall terminate with termination of the Repayment Contract.

2. Interest Accrual and Repayment Schedule

3. Exhibit B will be finalized upon the Contracting Officer's issuance of written Substantial Completion Notice.

THE STANDARD FORM (SF)-425 – FEDERAL FINANCIAL REPORT

1. This Exhibit C, made this _____ day of _____, 2022, to be effective under and as a part of Contract No. 22-XX-30-W0735 (Repayment Contract), hereinafter called “Exhibit C,” shall become effective on the date of the Repayment Contract’s execution and shall remain in effect until superseded by another Exhibit C executed by the Parties; Provided, That the Exhibit C or any superseding Exhibit C shall terminate with termination of the Repayment Contract.
2. The SF-425 shall be submitted on a quarterly basis by CVWD to the Deputy Area Manager, Yuma Area Office upon Commencement of XM Work through Substantial Completion for CVWD to provide to Reclamation a statement of expenditures associated with Federal advances of funds for XM Work under this Repayment Contract.

BUY AMERICA DOMESTIC PROCUREMENT PREFERENCE

1. This Exhibit D, made this _____ day of _____, 2022, to be effective under and as a part of Contract No. 22-XX-30-W0735 (Repayment Contract), hereinafter called "Exhibit D," shall become effective on the date of the Repayment Contract's execution and shall remain in effect until superseded by another Exhibit D executed by the Parties; Provided, That this Exhibit D or any superseding Exhibit D shall terminate with termination of the Repayment Contract.

2. As required by Section 70914 of the Bipartisan Infrastructure Law (also known as the Infrastructure Investment and Jobs Act), Pub. L. 117-58, on or after May 14, 2022, none of the funds under a Federal award that are part of a Federal financial assistance program for infrastructure may be obligated for a project unless all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States, unless subject to an approved waiver. The requirements of this section must be included in all subawards, including all contracts and purchase orders for work or products under this program.

Buy America Domestic Procurement Preference:

As required by Section 70914 of the Bipartisan Infrastructure Law (also known as the Infrastructure Investment and Jobs Act), P.L. 117-58, on or after May 14, 2022, none of the funds under a Federal award that are part of Federal financial assistance program for infrastructure may be obligated for a project unless all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States, unless subject to an approved waiver. The requirements of this section must be included in all subawards, including all contracts and purchase orders for work or products under this program.

Recipients of an award of Federal financial assistance are hereby notified that none of the funds provided under this award may be used for a project for infrastructure unless:

1. all iron and steel used in the project are produced in the United States--this means all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States;
2. all manufactured products used in the project are produced in the United States—this means the manufactured product was manufactured in the United States; and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation; and
3. all construction materials are manufactured in the United States—this means that all manufacturing processes for the construction material occurred in the United States.

The Buy America preference only applies to articles, materials, and supplies that are consumed in, incorporated into, or affixed to an infrastructure project. As such, it does not apply to tools, equipment, and supplies, such as temporary scaffolding, brought to the construction site and removed at or before the completion of the infrastructure project. Nor does a Buy America preference apply to equipment and furnishings, such as movable chairs, desks, and portable computer equipment, that are used at or within the finished infrastructure project but are not an integral part of the structure or permanently affixed to the infrastructure project.

For further information on the Buy America preference, please visit www.doi.gov/grants/BuyAmerica. Additional information can also be found at the White House Made in America Office website: www.whitehouse.gov/omb/management/made-in-america/.

Waivers

When necessary, recipients may apply for, and the Department of the Interior (DOI) may grant, a waiver from these requirements, subject to review by the Made in America Office. The DOI may waive the application of the domestic content procurement preference in any case in which it is determined that one of the below circumstances applies:

1. Non-availability Waiver: the types of iron, steel, manufactured products, or construction materials are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality;
2. Unreasonable Cost Waiver: the inclusion of iron, steel, manufactured products, or construction materials produced in the United States will increase the cost of the overall project by more than 25 percent; or
3. Public Interest Waiver: applying the domestic content procurement preference would be inconsistent with the public interest.

There may be instances where an award qualifies, in whole or in part, for an existing DOI general applicability waiver as described at:

www.doi.gov/grants/BuyAmerica/GeneralApplicabilityWaivers. If the specific financial assistance agreement, infrastructure project, or non-domestic materials meets the criteria of an existing general applicability waiver within the limitations defined within the waiver, the recipient is not required to request a separate waiver for non-domestic materials.

If a general applicability waiver does not already apply, and a recipient believes that one of the above circumstances applies to an award, a request to waive the application of the domestic content procurement preference may be submitted to the financial assistance awarding officer in writing. Waiver requests shall include the below information. The waiver shall not include any Privacy Act information, sensitive data, or proprietary information within their waiver request. Waiver requests will be posted to www.doi.gov/grants/buyamerica and are subject to public comment periods of no less than 15 days. Waiver requests will also be reviewed by the Made in America Office.

1. Type of waiver requested (non-availability, unreasonable cost, or public interest).
2. Requesting entity and Unique Entity Identifier (UEI) submitting the request.
3. Department of Interior Bureau or Office who issued the award.
4. Federal financial assistance listing name and number (reference block 2 on DOI Notice of Award)
5. Financial assistance title of project (reference block 8 on DOI Notice of Award).
6. Federal Award Identification Number (FAIN).
7. Federal funding amount (reference block 11.m. on DO Notice of Award).
8. Total cost of Infrastructure expenditures (includes Federal and non-federal funds to the extent known).
9. Infrastructure project description(s) and location(s) (to the extent known).
10. List of iron or steel item(s), manufactured goods, and construction material(s) the recipient seeks to waive from Buy America requirements. Include the name, cost, countries of origin (if known), and relevant [PSC](#) or [NAICS](#) code for each.

11. A certification that the recipient made a good faith effort to solicit bids for domestic products supported by terms included in requests for proposals, contracts, and nonproprietary communications with the prime contractor.
12. A statement of waiver justification, including a description of efforts made (e.g., market research, industry outreach) by the recipient, in an attempt to avoid the need for a waiver. Such a justification may cite, if applicable, the absence of any Buy America-compliant bids received in response to a solicitation.
13. Anticipated impact if no waiver is issued.

Approved waivers will be posted at www.doi.gov/grants/BuyAmerica/ApprovedWaivers; recipients requesting a waiver will be notified of their waiver request determination by an awarding officer.

Questions pertaining to waivers should be directed to the financial assistance awarding officer.

Definitions

“Construction materials” includes an article, material, or supply that is or consists primarily of:

- non-ferrous metals;
- plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables);
- glass (including optic glass);
- lumber; or
- drywall.

“Construction Materials” does **not** include cement and cementitious materials, aggregates such as stone, sand, or gravel, or aggregate binding agents or additives.

“Domestic content procurement preference” means all iron and steel used in the project are produced in the United States; the manufactured products used in the project are produced in the United States; or the construction materials used in the project are produced in the United States.

“Infrastructure” includes, at a minimum, the structures, facilities, and equipment for, in the United States, roads, highways, and bridges; public transportation; dams, ports, harbors, and other maritime facilities; intercity passenger and freight railroads; freight and intermodal facilities; airports; water systems, including drinking water and wastewater systems; electrical transmission facilities and systems; utilities; broadband infrastructure; and buildings and real property. Infrastructure includes facilities that generate, transport, and distribute energy.

“Project” means the construction, alteration, maintenance, or repair of infrastructure in the United States