

COPY

PETITION TO THE UINTAH WATER  
CONSERVANCY DISTRICT FOR ALLOTMENT  
OF WATER FOR MUNICIPAL AND INDUSTRIAL USE

ASHLEY VALLEY WATER & SEWER IMPROVEMENT DISTRICT, a political subdivision of the State of Utah, organized under the laws of the State of Utah, hereinafter referred to as "AVW&SID", hereby petitions the Uintah Water Conservancy District, hereinafter referred to as "District", for a perpetual allotment of 500 acre-feet annually of municipal and industrial water, hereinafter referred to as "project water". Such water is to be made available through the Central Utah Project, Jensen Unit, hereinafter referred to as "Project".

**Recitals**

AVW&SID previously petitioned the District for 4,000 acre feet of project water, which petition was approved by the District and the U.S. Bureau of Reclamation.

Congress passed Public Law 102-575 which, among other things, provided for the District repayment obligation for municipal and industrial water for the Jensen Unit of the Central Utah Project to be reduced to \$5,545,592, and gave the District the perpetual right to the use of 2,000 acre-feet of water annually.

As a result of the District's reduced water supply, the District agrees to reduce the amount of water AVW&SID previously petitioned for to 500 acre-feet annually and to adjust AVW&SID's repayment obligation accordingly.

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1. AVW&SID agrees to pay the District annually on or before January 25 for water committed to the AVW&SID by the District for that calendar year. AVW&SID's annual payment shall include: A rate per acre-foot sufficient to cover the proportionate share of the District's annual payment to the United States, as outlined in Repayment Contract No. 6-05-01-00143, dated June 3, 1976, and particularly as outlined in Article 4 of the Amendatory Contract No. 6-05-01-00143 dated December 30, 1992, including any supplements or amendments thereto, hereinafter referred to as the "Government-District contract", attached as an exhibit to this petition, for that 500 acre-feet of project municipal and industrial water, and an appropriate share of the operation, maintenance and reserve fund expense.

(a) Payment for Untreated Water: It is mutually acknowledged that the District shall acquire the perpetual right to use the 2,000 acre-feet municipal and industrial water annually. The District is required, under contract, to pay the allocated cost of the development of 2,000 acre-feet of municipal and industrial water, plus interest, in 49 annual installments. Payment commenced by the District on January 31, 1989, with the remaining installments due each succeeding January 31st until the balance is paid in full.

Although the District shall be required to pay the repayment obligation within 49 years from January 31, 1989, it is agreed that AVW&SID shall pay the rate per acre-foot charged by the District,

as provided herein, on water committed to AVW&SID by the District until the District's obligation to the United States for the cost allocated for construction of facilities capable of developing of municipal and industrial water has been paid in full; provided that AVW&SID will never pay more than its prorated share of said water. The balance of the Project costs associated with municipal and industrial water will be paid by the District or other municipal and industrial users purchasing water from the District.

Based on the amount of \$5,545,592.00, the construction costs associated with 2,000 acre-feet of project municipal and industrial water, the total annual cost per acre-foot is \$113.29 less the 34% cost share by Central Utah Water Conservancy District for a total cost per acre-foot of \$74.77 annually.

The \$74.77 per acre-foot rate shall be paid by AVW&SID for untreated water. AVW&SID agrees to pay said per acre-foot rate to the District for the 500 acre-feet of project water committed to AVW&SID until District has paid, as provided for above, for municipal and industrial water.

The District reserves the right to increase or decrease the rate per acre-foot to be paid by AVW&SID, but only to reflect any increase or decrease in the allocated Jensen Unit construction costs for the municipal and industrial water allotted to the District.

(b) Operation, Maintenance and Reserve Fund Charges: The District shall notify the AVW&SID in writing on or before April 1

preceding the year to which the notice is applicable, as to the estimated amount of operation, maintenance and reserve fund costs and charges reasonably accruing to the 500 acre-feet of municipal and industrial water committed to AVW&SID. AVW&SID shall pay the estimated amount set out in such operation and maintenance notices on or before January 25 for that calendar year. At the close of the calendar year, an adjustment shall be made by the District to reflect actual operation, maintenance and reserve fund costs and AVW&SID shall be billed for the difference or given a credit on the next calendar year's operation, maintenance and reserve fund cost as may be appropriate.

(c) Equal Treatment: The District shall not allot municipal and industrial water to any other municipal-type entity from the Jensen Unit project at more advantageous rates and terms than provided under subparagraph (a) of this paragraph.

2. After the District has fully met its repayment obligations to the United States under the Government-District contract for municipal and industrial water allotted to the District, it may be possible and reasonable for the District to reduce its rates to AVW&SID. However, it is acknowledged that the District at said time may endeavor to develop other water supplies for allotment to AVW&SID and other areas within District for municipal and industrial purposes, and that District may not be able to develop and provide such additional water supplies unless its municipal and industrial rates are maintained at a level which, together with tax

income, shall provide revenue to finance said new facilities. However, unless a new allotment of municipal and industrial water is petitioned for by AVW&SID, it is agreed that when the District's repayment obligations to the United States under said Government-District contract have been fully paid, the rates shall be renegotiated to reflect the decrease in the District's annual obligations regarding the 2000 acre feet of municipal and industrial water, since the District's contract with the United States as to said water has been fully paid.

3. The allotment of 500 acre-feet of water per year hereunder is made in perpetuity.

4. It is mutually agreed that the water to be delivered to AVW&SID hereunder will be untreated water.

5. The first annual payment by AVW&SID was made in January 1989, and additional payments have been made in January each year for 1990, 1991, 1992 and 1993. Subsequent annual payments are to be made on or before January 25 of each year hereafter for all water committed to AVW&SID.

6. Water is to be delivered to AVW&SID in accordance with operating criteria to be developed, after consultation with AVW&SID, by the District as approved by the United States. Payments required by paragraph 1 hereof shall be made on all water committed to AVW&SID from the District, whether all or any part of the water is called for or used by AVW&SID. It is mutually agreed that during some water years the Project may have water available,

but AVW&SID can reasonably meet its water needs in whole or in part from its own sources. During such times, said water may be diverted in whole or in part to storage. Such stored water will remain project water, and there shall be no carry-over storage privilege specifically earmarked for AVW&SID, or for any other project water user.

7. Class B taxes may be levied annually by the District's Board of Directors upon property within AVW&SID's boundary, as provided by Sec. 73-9-17, U.C.A. 1953, as amended, by Chapter 132, Laws of Utah, 1953, and by Chapter 160, Laws of Utah, 1957, and as the same may be hereafter amended, at rates sufficient to produce the annual payment required in accordance with paragraph 1 hereof, less any sum paid or undertaken to be paid by AVW&SID from water revenues and other sources. In making such levies, the District's Board of Directors shall take into account the deficiencies and defaults of prior years, and shall make ample provision for the payment thereof.

8. Water allotted hereby is to be made available to AVW&SID at Red Fleet Reservoir and measured for delivery to AVW&SID at the inlet to the Tyzack Aqueduct, or in the alternative, to make the exchange with the Oaks Park Canal. The point of delivery shall be at or near the end of the Tyzack Aqueduct Reach 1 at the location of the Ashley Valley Purification Plant. Municipal and industrial water developed by the Jensen Unit is intended to be used in the area shown on the enclosed map. Water allotted hereby is to be



used in the service area within the boundary of the AVW&SID.

9. In the event there is a shortage of project water caused by drought, inaccuracy in distribution not resulting from negligence, hostile diversion, prior or superior claims, or other causes not within the reasonable control of the District, no liability shall accrue against the District, or the United States, or any of their officers, agents or employees, or either of them, for any damage, direct or indirect, arising therefrom and the payment to the District provided for herein shall not be reduced because of any such shortage or damage. If a shortage occurs within the Jensen Unit in project municipal and industrial water, then deliveries of water pursuant to this petition shall be reduced in the proportion that the number of acre-feet of such shortage bears to the total number of acre-feet allotted for municipal and industrial use. The determination of shortages shall be made by the District's Board of Directors.

10. Any commitment of water and payments to the District for water so committed pursuant to this petition shall be subject to the Water Conservancy Act of Utah, Title 73, Chapter 9, U.C.A. 1953, as amended, the rules and regulations of District's Board of Directors, and the Government-District contract, as the same may be supplemented or amended.

DATED this 28th day of December, 1993.

**ASHLEY VALLEY WATER & SEWER  
IMPROVEMENT DISTRICT**

By: Laurence J. Haskins

Attest:

Clerk [Signature]

**ACCEPTED:  
UINTAH WATER CONSERVANCY DISTRICT**

By: Daniel L. Murray

**APPROVED:  
UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION**

By: \_\_\_\_\_