

**AMENDED PETITION TO THE UINTAH WATER
CONSERVANCY DISTRICT FOR ALLOTMENT
OF WATER FOR MUNICIPAL AND INDUSTRIAL USE
CENTRAL UTAH PROJECT- JENSEN UNIT**

ASHLEY VALLEY WATER AND SEWER IMPROVEMENT DISTRICT

(AVWSID), a Utah special district organized under the laws of the State of Utah, hereby petitions Uintah Water Conservancy District (District), for an allotment of (1,120) acre-feet (AF) annually of municipal and industrial (M&I) water from the Jensen Unit of the Central Utah Project (Project) subject to the terms and conditions of the District's Repayment Contract No. 6-05-01-00143 (Repayment Contract) and the Municipal and Industrial (M&I) Block Notice No.2, Jensen Unit- Central Utah Project. This Amended Petition replaces the Petition signed on September 16, 2014. The Project M&I water petitioned for here will be available for delivery to AVWSID upon the issuance of Jensen Unit M&I Block Notice Number 2 by the United States Department of the Interior, Bureau of Reclamation (Reclamation). That block notice is contingent upon District's advance payment of allocated reimbursable Project costs for 3,000 AF of additional Project M&I water, which is contingent upon successful District's receipt of sufficient funds via the purchase of a District bond by the Permanent Community Impact Fund Board (PCIFB), and a PCIFB grant. The Project M&I water petitioned for here will be used on land within AVWSID's boundaries, as those boundaries may change, that is within the District's boundaries, as those boundaries may change.

1. **Petitioner Annual Payment to District.** AVWSID agrees to pay District annually on or before January 24. AVWSID annual payment to District will be a percentage of District's annual payment to PCIFB, equaling a proportionate share of that annual bond payment. District reserves the right to increase or decrease the rate per acre-foot to be paid by AVWSID to District to

reflect any increase or decrease in the allocated Jensen Unit construction costs relating to Jensen Unit M&I Block Notice Number 2 reflected in any amended or implemented block notice, cost allocation, or other notices from Reclamation to District. After District has fully met its PCIFB bond obligations, it may be possible and reasonable for District to reduce its rates to AVWSID. However, the parties acknowledge and agree that District at that time may endeavor to develop other water supplies for allotment to the AVWSID and other areas within District boundaries for M&I purposes, and that District may not be able to develop and provide such additional water supplies unless its M&I rates are maintained at a level which, together with tax income, will provide revenues sufficient to finance said new developments. Also, District may maintain M&I rates to meet then existing District bond covenants.

2. **Annual Charges Not a Debt.** The obligations of the AVWSID to pay any annual charges under this Petition are not a debt of the AVWSID. The obligations of the AVWSID to pay any annual charges under this Petition arise only when the District can provide or deliver to the AVWSID the right to use water as provided herein, whether the AVWSID uses such water or not, in any year or in subsequent years. It is anticipated that annual charges will be considered water purchase contract payments of the AVWSID for purposes of any AVWSID bond commitments. AVWSID annual charges under this Petition are payable only from water sale revenues of the AVWSID, and to the extent of current unencumbered budget appropriation of the AVWSID. If any annual charge is not paid within thirty (30) days after due, District may withhold any and all District water from AVWSID until the AVWSID is no longer delinquent regarding any payment to District.

3. **Right to Use Untreated Water.** By way of this Petition, the AVWSID will acquire the right to use the Project M&I subject to the District's Repayment Contract and terms and conditions described herein.

4. **Operation, Maintenance, Replacement and Reserve Fund Charges:** AVWSID will also pay a proportionate share of the costs of operating, maintaining, repairing and replacing the Project, as determined annually by the District's Board of Trustees as a part of the District's budget, including any replacement and emergency repair reserves set by the District's Board of Trustees, and including any similar reserves mandated by present or future bond commitments, Reclamation requirements, or applicable law. The District will notify the AVWSID in writing on or before April 1st 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 that described M&I Project water. At the close of the calendar year, an adjustment will be made by the District to reflect actual operation, maintenance and reserve fund costs and the AVWSID will be billed for the difference or given a credit on the next calendar year's operation, maintenance and reserve fund costs as may be appropriate.

5. **Delivery.** Water is to be delivered to AVWSID in accordance with operating criteria to be developed (after consultation with AVWSID) by the District. Water allotted in this Petition is to be made available to AVWSID and measured near the outlet works of Red Fleet Dam.

6. **Taxes.** Taxes may be levied annually by District's Board of Trustees upon property within AVWSID, as provided by the Utah Water Conservancy District Act as it may be amended from time to time, at rates sufficient to cover the annual payments required to be paid by AVWSID to District, less any sum paid or undertaken to be paid by AVWSID from water

revenues and other sources. In making such levies, District's Board of Trustees will take into account the deficiencies and defaults of prior years, and will make ample provision for the payment thereof.

7. **Contract Assessments.** Any contract assessment levied by the District's Board of Trustees shall become a lien on the land within AVWSID's boundaries, as those boundaries may change, that is within the District's boundaries, as those boundaries may change.

8. **Constraints on Availability of Water.** In the event there is a shortage of Project water caused by drought, inaccuracy in distribution, hostile diversion, prior or superior claims, or other causes not within the reasonable control of District, no liability will accrue against 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 District provided for herein will not be reduced because of any such shortage or damage. If a shortage occurs within the Jensen Unit in Project M&I water, then deliveries of water pursuant to this Petition will be reduced in the proportion that the number of AF of such shortage bears to the total number of AF allotted for M&I use. The determination of 'shortages' will be made by District's Board of Trustees, and its determination will be final and conclusive.

9. **Protection of Water Quality.** AVWSID will promote and encourage compliance by its M&I water users with Federal and State laws which relate to pollution of water, and further agrees to take all necessary and reasonable precautions as may be determined by the United States to prevent pollution by AVWSID.

10. **United States Performance Contingent on Appropriation or Allotment of Funds.**

The expenditure of any money or the performance of any work by the United States, which may

require appropriations of money by the Congress or the allotment of funds, will be contingent upon such appropriations or allotments being made. The failure of the Congress to so appropriate funds or the absence of any allotment of funds will not relieve AVWSID from any obligations under this Petition for water already being delivered, and no liability will accrue to the United States in case such funds are not appropriated or allocated.

11. **Applicable Statutes, Rules Regulations and Determinations.** The delivery of water or the use of Federal facilities pursuant to this Petition is subject to Federal reclamation law, as amended and supplemented, and the rules and regulations promulgated by the Secretary of the Interior under Federal reclamation law. Any commitment of water and payments to District for water so committed pursuant to this petition will be subject to applicable state law, including, but not limited to, the Water Conservancy District Act, Utah Code Title 17B, Chapter 2a, Part 10; the rules and regulations of the District; applicable District contracts with Reclamation; and the determinations of the Secretary as described in those Reclamation contracts, all as may be supplemented or amended from time to time.

12. **Assignment Limited - Successors and Assigns Obligated.** The provisions of this Petition will 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 by either party will be valid until approved in writing by the other party.

13. **Amendment.** This Petition may not be amended except in writing, signed by District and AVWSID. No amendment may be made without the consent of Reclamation until District's full obligation for repayment for Project M&I water has been satisfied.

DATED this 8 day of December, 2014.

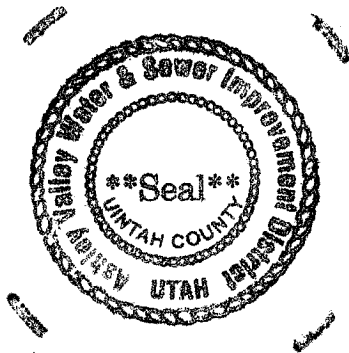
UINTAH WATER CONSERVANCY DISTRICT

By: 
William Merkley, Board Chairman

Attest:


Mary Seale, District Clerk


SEAL



ASHLEY VALLEY WATER AND SEWER
IMPROVEMENT DISTRICT

By: 
Brownie Tomlinson, Chairman

Attest:


Nora Garcia, Clerk

APPROVED:

UNITED STATES DEPT. OF THE INTERIOR
BUREAU OF RECLAMATION

By: 