

Contract No.  
6-05-01-00143

JENSEN UNIT  
CENTRAL UTAH PROJECT  
REPAYMENT CONTRACT  
BETWEEN  
UNITED STATES OF AMERICA  
AND  
UINTAH WATER CONSERVANCY DISTRICT

JUNE 3, 1976

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION

REPAYMENT CONTRACT BETWEEN THE UNITED STATES OF AMERICA  
AND THE UINTAH WATER CONSERVANCY DISTRICT

Contents

<u>Article No.</u>	<u>Title</u>	<u>Page No.</u>
	Preamble . . . . .	1
1	General Definitions . . . . .	2-4
2	Project Works . . . . .	4-7
3	Conditions Precedent to Construction . . . . .	7
4	Acquisition of Lands, Easements and Water Rights . . . . .	7-8
5	Terms of Payment . . . . .	8-11
6	Establishment of Development Blocks . . . . .	12-13
7	Disposal of Project Water by United States . . . . .	13
8	Use and Allotment of Project Water . . . . .	14-18
9	Quality of Water . . . . .	18
10	Irrigation Development Period . . . . .	18-19
11	Operation and Maintenance of Transferred Works-Payment of Miscellaneous Costs . . . . .	19-22
12	Electric Power and Energy for Project Pumping . . . . .	22
13	Other Costs to Be Paid By Contractor . . . . .	22-23
14	Reserve Fund . . . . .	23-24
15	Title to Project Works to Remain in the United States . . . . .	24-25
16	Review and Inspection of Project Works for Determining Adequacy of Maintenance . . . . .	25-26
17	General Obligation-Benefits Conditioned Upon Payment . . . . .	26-27
18	Levy of Assessment, Tolls and Charges . . . . .	27
19	Penalty for Delinquent Payments . . . . .	27
20	Distribution and Beneficial use of Project Water . . . . .	27-28
21	Water Shortages, Waste, Seepage, and Return Flows . . . . .	28
22	Excess Lands . . . . .	29
23	Amendment or Repeal of Federal Reclamation Laws . . . . .	29

<u>Article No.</u>	<u>Title</u>	<u>Page No.</u>
24	Books, Records and Reports . . . . .	29-30
25	Rules, Regulations, and Determinations . . . . .	30
26	Public Use of Reservoirs . . . . .	31
27	Disposition of Miscellaneous Revenues . . . . .	31
28	Notices . . . . .	32
29	Remedies Under Contract Not Exclusive - Waivers . . . . .	32
30	Approval of Contracts by the United States . . . . .	32-33
31	Changes in Contractor's Organization . . . . .	33
32	Contingent on Appropriation or Allotment of Funds . . . . .	33
33	Confirmation of Contract . . . . .	33-34
34	Assignment Limited-Successors and Assigns Obligated . . . . .	34
35	Equal Opportunity . . . . .	34-37
36	Title VI, Civil Rights Act of 1964 . . . . .	37-38
37	Water and Air Pollution Control . . . . .	38-39
38	Contingent Fee Clause . . . . .	39
39	Officials Not to Benefit . . . . .	39
	Signatures	

1 UNITED STATES  
2 DEPARTMENT OF THE INTERIOR  
3 BUREAU OF RECLAMATION

4 CENTRAL UTAH PROJECT - JENSEN UNIT

5 COLORADO RIVER STORAGE PROJECT

6 CONTRACT BETWEEN THE UNITED STATES OF AMERICA  
7 and the  
8 UINTAH WATER CONSERVANCY DISTRICT

9 THIS CONTRACT, made this 3rd day of June,  
10 1976, in pursuance of the Act of June 17, 1902 (32 Stat. 388),  
11 and acts amendatory thereof and supplementary thereto, between  
12 the UNITED STATES OF AMERICA, hereinafter called the United  
13 States, acting through the Secretary of the Interior, and the  
14 UINTAH WATER CONSERVANCY DISTRICT, a water conservancy district  
15 organized and existing pursuant to the laws of the State of  
16 Utah, and particularly the Water Conservancy Act, Section 73-  
17 9-1 et seq., Utah Code Annotated, 1953, as amended, herein-  
18 after called the Contractor, with its principal place of  
19 business and office at Vernal, Uintah County, Utah.

20 WITNESSETH, That:

21 WHEREAS, the following statements are made in  
22 explanation;

23 (a) The Act of Congress approved April 11, 1956 (70  
24 Stat. 105) authorized the construction, operation, and main-  
25 tenance of the initial phase of the Central Utah Project as a

1 participating project of the Colorado River Storage  
2 Project, of which the Jensen Unit is a part thereof, which  
3 unit is hereinafter called the Project and the United  
4 States has investigated, planned and proposes to construct  
5 said project for the storage, diversion, distribution of water  
6 from Big Brush Creek, Little Brush Creek and the Green River  
7 for irrigation, municipal, industrial, recreation, fish and  
8 wildlife purposes, flood control and drainage of project land.

9 (b) The parties hereto desire to enter into a  
10 contract in accordance with and subject to the conditions  
11 hereinafter set forth providing, among other things, for the  
12 delivery from project works to the Contractor project water  
13 for irrigation on irrigable land within the Uintah Water  
14 Conservancy District and for municipal and industrial purposes,  
15 and for the operation, maintenance and replacement of project  
16 works.

17 NOW, THEREFORE, in consideration of the mutual and  
18 dependent covenants herein contained, it is mutually agreed  
19 between the parties hereto as follows:

20 GENERAL DEFINITIONS

21 1. Where used in this contract:

22 (a) "Secretary" or "Contracting Officer" or  
23 either of them, means the Secretary of the United States  
24 Department of the Interior or his duly authorized representative.

25 (b) "Contractor" means Uintah Water Conservancy  
26 District.

1 (c) "Federal Reclamation Laws" means the Act  
2 of June 17, 1902 (32 Stat. 388), and all acts amendatory  
3 thereof or supplementary thereto.

4 (d) "Project" means the Jensen Unit, Central  
5 Utah Project, a participating project of the Colorado River  
6 Storage Project.

7 (e) "Project Works" means all works or facili-  
8 ties to be constructed under provisions of this contract.

9 (f) "Project Water" means all water made  
10 available through or by means of Project works.

11 (1) "Project Irrigation Water" means  
12 project water made available to irrigators for use primarily  
13 in the commercial production of agricultural crops and live-  
14 stock including domestic use incidental thereto.

15 (2) "Project Municipal and Industrial  
16 Water" means water furnished to municipalities, to industrial  
17 establishments, and for commercial recreational uses.

18 (g) "Transferred Works" means those major  
19 project works not including recreation facilities or fish and  
20 wildlife facilities turned over to the Contractor for care,  
21 operation, and maintenance.

22 (h) "Irrigation Year" means April 1 through  
23 October 31 of each calendar year, or such different period as  
24 may be established by mutual agreement in writing.

1 (i) "Municipal and Industrial Water Year"  
2 means January 1 through December 31 of each calendar year, or  
3 such different period as may be established by mutual agree-  
4 ment in writing.

5 (j) "Irrigable Lands" means lands classified  
6 as being capable of sustained agricultural production under  
7 irrigation in accordance with standards established by the  
8 Contracting Officer.

9 (k) "Initial Delivery Date for Municipal and  
10 Industrial Water" means the date announced by the first block  
11 notice given by the Contracting Officer when project water  
12 shall be available for municipal and industrial purposes.

13 PROJECT WORKS

14 2. (a) Subject to the terms and conditions of  
15 this contract, the United States shall construct the project  
16 works and provide certain property and equipment required to  
17 operate and maintain the project such as, but not limited to,  
18 pickup trucks, short wave radios, miscellaneous office furni-  
19 ture and equipment and miscellaneous shop and small construc-  
20 tion equipment needed for project operation as determined by  
21 the Contracting Officer.

22 (b) The Jensen Unit shall include the fol-  
23 lowing features:

24 (1) Tyzack Dam and Reservoir, located on  
25 Big Brush Creek about 10 miles northeast of Vernal, Utah, will

1 be an earthfilled dam approximately 145 feet high and 1,640  
2 feet long which will create a reservoir of approximately  
3 26,000 acre-feet capacity.

4 (2) Tyzack Pumping Plant, located near  
5 the downstream end of the outlet works of Tyzack Dam will have  
6 a design capacity of 46 c.f.s. Water will be pumped from  
7 Tyzack Reservoir through the Tyzack Aqueduct to Ashley Creek.

8 (3) Tyzack Aqueduct, extends in a south-  
9 westerly direction from the Tyzack Pumping Plant to Ashley  
10 Creek with a capacity of about 46 c.f.s and approximately 11.8  
11 miles in length.

12 (4) Project drainage works on drainage  
13 deficient project land, consisting of about 8 miles of drains  
14 as determined necessary by the Contracting Officer.

15 (5) Burns Pumping Plant, with a design  
16 capacity of 97 c.f.s. located on the west bank of the Green  
17 River, approximately 2-1/2 miles north of the town of Jensen,  
18 Utah, will convey water through four pipe discharge lines  
19 varying in length from approximately 1,350 to 4,950 feet to  
20 four existing canals.

21 (6) Service facilities to supply power  
22 from the Colorado River Storage Project to Tyzack and Burns  
23 Pumping Plants.

24 (7) Recreation facilities, which include  
25 but are not limited to campgrounds, parking spaces, picnic



1 areas, areas for outdoor activities, sanitation facilities and  
2 boat launching facilities.

3 (8) Improve Stewart Lake Waterfowl Manage-  
4 ment Area by constructing approximately one mile of concrete  
5 lined lateral from Burns Bench Canal to the northern boundary  
6 of refuge area which will allow the Utah State Division of Wildlife  
7 Resources to better utilize water from increased return flows and  
8 increased drainage flow and will also allow the water rights  
9 owned by the Fish and Wildlife in the Green River to be pumped  
10 through Burns Pumping Plant which will decrease pumping cost  
11 and allow utilization of the water at the northern boundary of  
12 the refuge.

13 (9) Approximately 500 acres of range land will  
14 be rehabilitated to increase its carrying capacity for deer.

15 (c) The Secretary, after consultation with the  
16 Contractor, may change the size of project works; eliminate  
17 works or add treatment facilities for project water. Nothing  
18 contained herein shall be construed to indicate the order in  
19 which the works described in Subarticle (b) hereof shall be  
20 constructed.

21 (d) The United States shall have the right at  
22 any time to increase the capacity of the project works or any  
23 unit or feature thereof for other than project purposes with-  
24 out cost to the Contractor; provided that the Contractor's use  
25 of project water shall not be impaired thereby. The right to

1 use such increased capacity is reserved to the United States.

2 CONDITIONS PRECEDENT TO CONSTRUCTION

3 3. (a) The United States shall be under no  
4 obligation to commence, or having commenced, to continue  
5 construction of the project works until:

6 (1) Project municipal and industrial  
7 water disposal contracts for a substantial part of the munici-  
8 pal and industrial water developed by the project are executed  
9 satisfactory the Contracting Officer.

10 (2) Project irrigation water disposal  
11 contracts for a substantial part of the water allocated to  
12 irrigation are executed satisfactory to the Contracting  
13 Officer.

14 (3) Water exchange and water right adjust-  
15 ment contracts are executed satisfactory to the Contracting  
16 Officer.

17 (4) Adequate water rights for the Project  
18 are obtained and any conflicts between private water rights  
19 and project water rights must be resolved to the satisfaction  
20 of the Contracting Officer.

21 ACQUISITION OF LANDS, EASEMENTS AND WATER RIGHTS

22 4. (a) When permitted and authorized by the  
23 provisions of UCA 73-9-13 of the Utah Water Conservancy Act,  
24 the Contractor will acquire for the Project, any lands and  
25 interest in land needed for Project purposes when such

1 acquisition is requested by the Contracting Officer at no cost  
2 to the Contractor.

3 (b) Rights-of-way for drains will be provided  
4 by the Contractor at no costs to the United States.

5 (c) The Contractor shall protect the Project  
6 water rights and in case a dispute arises as to the character,  
7 extent, priority or validity of the right of the United States  
8 or the Contractor to use or permit use of project water, the  
9 Contractor, unless the United States itself elects to sue to  
10 enforce or defend said rights, shall promptly bring and dili-  
11 gently prosecute or defend judicial proceedings for the  
12 determination of such dispute and shall take all other measures  
13 necessary toward the defense and protection of the Project  
14 water supply.

15 TERMS OF PAYMENT

16 5. (a) The Contractor agrees to pay to the United  
17 States the project repayment obligation of \$28,698,000 based  
18 on January 1975 cost estimates or as otherwise provided below  
19 divided into (1) an irrigation repayment obligation of \$750,000  
20 and (2) an estimated municipal and industrial repayment obliga-  
21 tion of \$27,948,000 plus interest, plus or minus such amounts,  
22 if any, that may be justified by reason of ordinary fluctuations  
23 in the cost of construction as may be indicated by engineering  
24 cost indexes applicable to the type of construction involved.  
25 The Contractor's repayment obligation and the aforesaid

1 division, and any notice issued with respect thereto is subject  
2 to adjustments depending on the facilities constructed and on  
3 the allocation of construction costs and allotments of the  
4 project water to irrigation and municipal and industrial uses  
5 which will be made by the Secretary in accordance with Reclama-  
6 tion Law; Provided, the Contractor's repayment obligation as  
7 defined above may be increased 25 percent for possible increases  
8 resulting from any or all of the following: (1) enlargement  
9 or changes of project works and (2) increases in allotments of  
10 irrigation water to municipal and industrial water including  
11 adjustments pursuant to Article 8(e) hereof. The project  
12 repayment obligation is payable by the Contractor in annual  
13 installments due on or before January 31 of each year in  
14 accordance with subarticle (b) for the irrigation repayment  
15 obligation and in accordance with payment schedule or schedules  
16 which will be included in block notices issued by the Contracting  
17 Officer for the municipal and industrial repayment obligation.

18 (b) The Contractor hereby agrees to pay to the  
19 United States in the manner herein provided the sum of \$750,000,  
20 herein designated as the Contractor's irrigation repayment  
21 obligation in 50 successive equal annual installments of  
22 \$15,000. The initial payment shall be payable on January 31  
23 of the calendar year next succeeding the end of the develop-  
24 ment period established in accordance with Article 10 herein.  
25 These payments shall be exclusive of operation, maintenance

1 and replacement costs which are to be paid in accordance with  
2 Article 11, herein.

3 (c) Repayment of costs allocated to supplying  
4 municipal and industrial water as described in Subarticle (a)  
5 above shall be governed by the provisions of the Water Supply  
6 Act of 1958 (72 Stat. 297) as amended. The municipal and  
7 industrial repayment obligation shall accrue interest at the  
8 rate to be established pursuant to the provisions of Section  
9 5(f) of the Act of April 11, 1956 (70 Stat. 105) as amended by  
10 the Act of June 27, 1960 (74 Stat. 255) P.L. 86259 from the  
11 date of availability of water. Provided, That payments of  
12 principle and interest accruing on costs associated with  
13 facilities constructed to meet future municipal and industrial  
14 needs shall be deferred for 10 years or until such facilities  
15 are used to deliver water to the Contractor, whichever shall  
16 first occur as set forth in the remainder of this article. De-  
17 ferred costs will be the cost associated with 12,000 acre-feet  
18 of capacity in Tyzack Reservoir.

19 (1) When Project construction is to such  
20 a stage of completion that 6,000 acre-feet of water annually  
21 can be delivered to the Contractor, the cost associated with  
22 municipal and industrial facilities that have been constructed  
23 will become interest bearing except for costs associated with  
24 deferred capacity provided for herein. Costs of the first  
25 6,000 acre-feet of municipal and industrial water shall be  
26 repaid with interest in annual installments as provided by the

1 repayment schedule established in the first block notice.  
2 Subsequent blocks of municipal and industrial water in quanti-  
3 ties of not less than 1,000 acre-feet shall be made available  
4 to the Contractor from time to time during the 10-year defer-  
5 rment period by block notices. Each block notice shall specify  
6 the costs associated with the quantity of municipal and  
7 industrial water made available under said notice and shall  
8 include a payment schedule which shall specify, among other  
9 things, the annual amount the Contractor is to collect and pay  
10 to the United States for project municipal and industrial  
11 water. Costs associated with each block of municipal and  
12 industrial water made available in addition to the initial  
13 6,000 acre-feet shall include a pro-rata share of the deferred  
14 costs in Tyzack Reservoir based on acre-feet to be delivered  
15 under each block notice plus the costs of specific pumping  
16 facilities required for such deliveries, plus an appropriate  
17 share of the cost associated with Tyzack Aqueduct and Tyzack  
18 Pumping Plant. Provided, That when actual costs to provide 18,000  
19 acre-feet of municipal and industrial water annually are known  
20 the repayment schedule/or schedules will be adjusted to recognize  
21 such actual costs.

22 (2) The Contracting Officer shall notify  
23 the Contractor on or before June 30 of the year preceding the  
24 year in which water shall be made available and the first payment  
25 shall be due and payable on January 31 next following said notice.

1                    ESTABLISHMENT OF DEVELOPMENT BLOCKS

2                    6.    (a)   The Contracting Officer, from time to time  
3                    as project features are completed, shall establish development  
4                    blocks for municipal and industrial water and apportion to  
5                    each block an appropriate part of the Contractor's municipal  
6                    and industrial water repayment obligation. The Contracting  
7                    Officer shall give the Contractor written notice of his action,  
8                    referred to herein as the block notice, at least seven months  
9                    prior to the date when water will be first delivered for  
10                   municipal and industrial purposes. The block notice shall  
11                   contain:

12                                (1)   The quantity of project water avail-  
13                   able to the Contractor for the block;

14                                (2)   A designation of that part of the  
15                   Contractor's municipal and industrial repayment obligation  
16                   apportioned to the block;

17                                (3)   A 50-year repayment schedule for the  
18                   project municipal and industrial water available in said  
19                   block.

20                                (b)   Each block notice shall be reexamined by  
21                   the Contracting Officer at intervals no longer than five years  
22                   after water is first made available, therefore, to determine  
23                   if costs to construct said water facilities have increased or  
24                   decreased enough to warrant a change in the repayment schedule.

1 (c) Each block notice and amendment thereto  
2 shall be supplement to this contract.

3 (d) The United States shall issue the first  
4 block notice to the Contractor when the Project works are to  
5 such a stage of completion as to furnish the Contractor with  
6 municipal and industrial water. Said notice shall be issued  
7 before June 30 of the calendar year preceeding the calendar  
8 year when municipal and industrial water repayment commences.

9 DISPOSAL OF PROJECT WATER BY UNITED STATES

10 7. During construction of the Project works and  
11 prior to the time water has been made available by the block  
12 notice, certain quantities of Project water may become avail-  
13 able for municipal and industrial purposes. Such water may be  
14 sold to the Contractor for resale to municipal and industrial  
15 users at an annual rate of \$100 per acre-foot. Provided  
16 that pursuant to Article 8(a) hereof such water not sold for  
17 municipal and industrial purposes by the Contractor may be  
18 disposed of by the Contracting Officer on terms and charges  
19 fixed to whoever wants such water. Such charges shall be  
20 sufficient to at least cover the operation and maintenance  
21 costs for such water delivery. Payments for use of such water  
22 shall be in advance and the proceeds applied to operation and  
23 maintenance expense and other appropriate charges established  
24 by the Contracting Officer.



1                   USE AND ALLOTMENT OF PROJECT WATER

2                   8.   (a) The Contractor shall, subject to the  
3                   provisions of Subarticle (c) hereof, have the permanent right  
4                   to the annual yield of water from Project works as it is made  
5                   available by block notices from the Contracting Officer,  
6                   subject to water reserved to the United States and to the  
7                   right of the United States to operate project works and to  
8                   exercise control thereof for flood control, fish, wildlife,  
9                   and recreational purposes consistent with operating criteria  
10                  established by the Contracting Officer. Project water in  
11                  excess of that necessary to satisfy project water requirements  
12                  in any year is to be retained in Tyzack Reservoir to the  
13                  extent of the capacity available therefor, for use during  
14                  succeeding years. There shall be no individual holdover  
15                  rights or privileges in said reservoir.

16                  (b) The Contractor agrees to make water  
17                  allotments and contracts for the disposal of up to 4,600 acre-  
18                  feet of project irrigation water annually in accordance with  
19                  the Utah Water Conservancy Act and in accordance with the  
20                  Contracting Officer's determination that such allotment of  
21                  irrigation water shall be made available only to irrigable  
22                  Project lands and that such allotment shall not provide a  
23                  total of more than 3.7 acre-feet per acre for irrigable land  
24                  including such other water as the irrigator has already pre-  
25                  viously appropriated. Such water allotments and contracts

1 shall be in a form satisfactory to the Contracting Officer,  
2 approved by him in advance and not be amended or otherwise  
3 affected without his written consent until after the Con-  
4 tractor has paid in full its irrigation repayment obligation  
5 to the United States. The Contractor agrees to require water  
6 users contracting for project water to install, operate, and  
7 maintain measuring facilities satisfactory to and at no expense  
8 to the United States.

9 (c) The Contractor agrees to make contracts  
10 for the disposal of up to 18,000 acre-feet of project municipal  
11 and industrial water with municipal and industrial water  
12 users. Such contracts shall establish an initial quantity of  
13 6,000 acre-feet of municipal and industrial water to be delivered  
14 to the Contractor from Tyzack Dam and Reservoir and for the  
15 additional 12,000 acre-feet of water to be delivered to the  
16 Contractor by exchange from the Burns Pumping Plant as such  
17 quantities of water are needed by municipal and industrial  
18 users, as determined by the Contractor within 10 years from  
19 first availability of municipal and industrial water. Such  
20 contracts shall be in a form satisfactory to the Contracting  
21 Officer approved by him in advance and not be amended or  
22 otherwise affected without his written consent until after the  
23 Contractor has paid in full municipal and industrial repayment  
24 obligation to the United States.

1                   (d) There is hereby reserved to the United States  
2 the right to use water from increased runoff and increased  
3 drainage flow attributable to the Project to improve Stewart  
4 Lake Waterfowl Management area. Also reserved to the United  
5 States are certain capacities in Tyzack Reservoir, including the  
6 water filling such capacity:

7                   (1) From streambed to approximate eleva-  
8 tion 5525.0 MSL or 1,630 acre-feet representing dead storage.

9                   (2) From approximate elevation 5525.0 to  
10 approximate elevation 5528.5 MSL or 370 acre-feet designated  
11 as inactive storage.

12                  (3) From approximate elevation 5602.2 to  
13 approximate elevation 5621.5 for flood surcharge above the crest  
14 of the spillway.

15                  (4) 10 acre-feet for development of  
16 recreation sites planned as part of the project.

17                  (e) The Contractor agrees that project irriga-  
18 tion water shall not be delivered or furnished by the Contractor  
19 for any purpose other than agricultural uses, including but  
20 not restricted to domestic use incidental to such agricultural  
21 purposes, and the watering of livestock, without the written  
22 consent of the Contracting Officer. If there is a conversion  
23 of irrigation water to municipal and industrial use, as approved  
24 by the Contracting Officer, then an adjustment shall be  
25 made accordingly in the irrigation and municipal and

1 industrial allocated costs and repayment obligations. Block  
2 notices shall be amended to accommodate a change in repayment sche-  
3 dules and annual charges, according to the following procedures:

4 (1) The unpaid portion of the \$750,000  
5 irrigation repayment obligation associated with said water  
6 transferred to municipal and industrial use shall be deducted  
7 from the remaining repayment obligation assigned to the irri-  
8 gators calculated as follows: \$3.25 per acre-foot multiplied  
9 by the number of acre-feet transferred from irrigation to  
10 municipal and industrial use multiplied by the number of years  
11 remaining for irrigators to repay the irrigation obligation.

12 (2) The municipal and industrial repayment  
13 obligation shall be increased by a pro rata share of the costs  
14 associated with development of said water transferred to muni-  
15 cipal and industrial use to be repaid with interest at the rate  
16 established in Article 5(c) over the remaining irrigation payout  
17 period, calculated as follows: irrigation allocation, divided  
18 by 50 years, divided by 4,600 acre-feet, multiplied by number  
19 of acre-feet of water transferred from irrigation to municipal  
20 and industrial use, multiplied by the number of years remaining  
21 in the irrigation repayment period.

22 (f) The project water supply shall be subject  
23 to and controlled by the Colorado River Compact dated November  
24 24, 1922, and proclaimed by the President of the United States  
25 June 25, 1929; the Boulder Canyon Project Act approved December

1 21, 1928; the Boulder Canyon Project Adjustment Act of July  
2 19, 1940; the Upper Colorado River Basin Compact dated October  
3 11, 1948; the Mexican Water Treaty of February 3, 1944.

4 QUALITY OF WATER

5 9. The operation and maintenance of project facili-  
6 ties shall be performed in such manner as is practicable to  
7 maintain the quality of raw water made available through such  
8 facilities at the highest level reasonably attainable as  
9 determined by the Contracting Officer. The United States does  
10 not warrant the quality of water and is under no obligation to  
11 construct or furnish water treatment facilities to maintain or  
12 better the quality of water.

13 IRRIGATION DEVELOPMENT PERIOD

14 10. (a) The development period for the irrigable  
15 lands of the project to be served is hereby fixed at 3 years  
16 from the date the project works are sufficiently completed to  
17 deliver project irrigation water supply to substantially all  
18 of the project irrigable lands. Said development period shall  
19 commence on January 1 of the calendar year specified by written  
20 notice to be given to the Contractor by the Contracting Officer  
21 not less than seven months prior to the time project irrigation  
22 water shall be available to the Contractor.

23 (b) The United States may operate and maintain  
24 the project works during the development period. In such  
25 event, the charge to the Contractor during such period shall

1 be fixed with the object of collecting during the whole of  
2 said development period an amount equal to the total costs of  
3 such operation and maintenance by the United States. Charges  
4 shall be determined and announced at least seven months  
5 preceding the commencement of the development period and on or  
6 before October 1 of each year for the next 2 years, and if  
7 necessary, supplemental notices may be issued as provided in  
8 Subarticle 11(g). The Contractor agrees to pay such charges  
9 pursuant to the provisions of the announcement and any supple-  
10 mental notice.

11 (c) The amount by which the charges paid by  
12 the Contractor, pursuant to Subarticle (b) hereof, is in  
13 excess of the actual operation and maintenance costs of the  
14 project works for such period shall be credited to the next  
15 installment on the Contractor's repayment obligation thereafter  
16 becoming due.

17 OPERATION AND MAINTENANCE OF TRANSFERRED  
18 WORKS - PAYMENT OF MISCELLANEOUS COSTS

19 11. (a) Upon substantial completion of the project  
20 works, or as otherwise determined by the Contracting Officer,  
21 and following written notification, the care, operation, and  
22 maintenance exclusive of any recreation or fish and wildlife  
23 facilities, of any or all of the project works shall be trans-  
24 ferred to the Contractor.

25 (b) The Contractor, without expense to the  
26 United States, except as provided in Subarticle (c), shall

1 care for, operate, and maintain such transferred works in full  
2 compliance with the terms of this contract, and in such manner  
3 that said transferred works shall remain in good and efficient  
4 condition.

5 (c) The Contractor shall promptly make any and  
6 all repairs to the transferred works being operated by it which  
7 are necessary for proper care, operation, and maintenance. In  
8 case of neglect or failure of the Contractor to make such  
9 repairs within 60 days following written notification, the  
10 Contracting Officer may cause the repairs to be made, and the  
11 cost thereof shall be paid by the Contractor as prescribed by  
12 the Contracting Officer.

13 (d) No substantial change shall be made by the  
14 Contractor in any of the major transferred works without first  
15 obtaining the written consent of the Contracting Officer.

16 (e) The Contractor shall hold the United  
17 States, its officers, agents, and employees harmless as to any  
18 and all damages which may in any manner grow out of the care,  
19 operation, and maintenance, of any of the project works trans-  
20 ferred to the Contractor.

21 (f) When the Contractor assumes the care,  
22 operation and maintenance of transferred works constructed  
23 pursuant to this contract, the Contractor, shall be compensated  
24 by the United States or by parties with whom the United States  
25 contracts or credited for the cost of the operation, maintenance

1 and replacement properly chargeable under standard Reclamation  
2 laws and procedures to flood control, and fish and wildlife.  
3 These costs associated with Tyzack Dam and Reservoir are  
4 determined by Contracting Officer to amount to \$2,000 annually  
5 and is subject to review and adjustment when necessary except  
6 the period between review and adjustment shall not exceed 5  
7 years. Credit on the Contractor's construction repayment  
8 obligation will be made in the amount of \$2,000 annually or  
9 the amount established pursuant to the review and adjustment  
10 for each year of Contractor's operation by June 1 of the year  
11 following.

12 (g) In the event the Contractor is found to be  
13 operating the transferred works or any part thereof in violation  
14 of this contract, then at the election of the Contracting  
15 Officer the United States may take over from the Contractor  
16 the care, operation, and maintenance of such transferred works  
17 by giving written notice to the Contractor of such election  
18 and of the effective date thereof. Thereafter, during the  
19 period of operation by the United States, the Contractor shall  
20 pay to the United States annually in advance the cost of  
21 operation and maintenance of such works as prescribed in  
22 notices from the Contracting Officer to the Contractor. Such  
23 works may be retransferred to the Contractor in the manner  
24 originally transferred.



1 (h) In addition to all other payments to be  
2 made by the Contractor under this contract, the Contractor  
3 shall, during the period of time any or all of the project  
4 works are being operated by it, pay to the United States  
5 following the receipt of a detailed statement, the costs  
6 incurred by the United States for work involved in the  
7 administration and supervision of this contract.

8 (i) The Contracting Officer agrees to be  
9 responsible for operation and maintenance of non-project works  
10 and to obtain any necessary contracts and agreements from other  
11 parties to require operation and maintenance of such facilities.

12 ELECTRIC POWER AND ENERGY FOR PROJECT PUMPING

13 12. Electric power and energy from the Colorado  
14 River Storage Project for project pumping shall be made avail-  
15 able to the Contractor at rate schedules promulgated in  
16 accordance with the General Power Marketing Criteria approved  
17 March 6, 1962, or as subsequently amended by the Secretary.  
18 The Contractor agrees to contract for use of such power and  
19 energy within 1 year following commencement of project construc-  
20 tion, unless power and energy is not accepted by the Contractor.

21 OTHER COSTS TO BE PAID BY CONTRACTOR

22 13. (a) In addition to all other payments required  
23 by this contract, the Contractor shall pay to the United States,  
24 to the extent required by the Contracting Officer, on or before  
25 March 1 of the year following that in which they have been  
26 incurred, the following costs:

1 (1) Inspections under the provisions of  
2 Article 16(b).

3 (2) Crop production censuses and reports  
4 to the extent not furnished as required in Article 24.

5 (3) Land classification or reclassification  
6 to the extent that such costs are prescribed by Federal  
7 Reclamation Law to be repaid by water users.

8 (4) Protection of project water rights.

9 (5) Special work requested by the Contractor.

10 (b) In the event that there are no funds available  
11 to the United States with which to do the work covered by  
12 Subarticle (a) hereof, the Contractor will pay, in advance to the  
13 United States the cost of such work as estimated by the Contracting  
14 Officer. If such costs are less than the funds advanced, appropriate  
15 credit will be given upon the next installment on the Contractor's  
16 repayment obligation thereafter becoming due.

17 RESERVE FUND

18 14. Commencing with the first repayment date and  
19 continuing until such time as all sums of money becoming due  
20 hereunder shall have been paid to the United States, the  
21 Contractor shall accumulate and maintain a reserve fund which  
22 shall be available for use in the manner, for the purposes,  
23 and in the circumstances hereinafter set forth. Such reserve  
24 fund shall consist of annual deposits by the Contractor of not  
25 less than \$3,500 to a special account created by the Contractor  
26 for that purpose. Such annual deposits shall continue until

1 the amount in the reserve fund is not less than \$38,000.  
2 Expenditures shall be subject to the approval of the Contracting  
3 Officer and shall be made from such reserve fund only for  
4 meeting major unforeseen extraordinary costs of operation and  
5 maintenance, repair, betterment and replacement of project  
6 works, and for operation and maintenance during periods of  
7 special stress, such as may be caused by drought, hurricane  
8 storms, or other like emergencies. Whenever said reserve fund  
9 is reduced below \$38,000 by expenditures therefrom, it shall  
10 be restored by the accumulation of annual deposits of \$3,500  
11 commencing with the next year following that in which the fund  
12 is reduced below said amount. During any period in which any  
13 of the project works are operated and maintained by the United  
14 States, such fund shall be available for like use by the  
15 United States. At the option of the Contractor, the reserve  
16 fund may be invested to the extent permitted by law, provided  
17 that such reserve fund shall be made available within a  
18 reasonable time to meet the expenses for the purpose for which  
19 it was accumulated: Provided, That upon mutual agreement said  
20 fund and the annual installments may be adjusted to reflect  
21 the addition, deletion, or changes in project facilities and  
22 operating and maintenance costs not contemplated when this  
23 contract was executed.

24 TITLE TO PROJECT WORKS TO REMAIN IN THE UNITED STATES

25 15. Title to the project works constructed or

1 acquired by the United States shall remain in the United  
2 States notwithstanding transfer of the care, operation and  
3 maintenance of any works to the Contractor; provided, however,  
4 that title to movable property described in Subarticle 2(a)  
5 shall be transferred to the Contractor pursuant to provisions  
6 of the Act of Congress of July 9, 1954 (68 Stat. 580).

7 REVIEW AND INSPECTION OF PROJECT WORKS FOR  
8 DETERMINING ADEQUACY OF MAINTENANCE

9 16. (a) The Contracting Officer with the Contractor  
10 may, from time to time, make reviews of maintenance of project  
11 works being operated by the Contractor with a view of assist-  
12 ing the Contractor in determining the condition of facilities  
13 and the adequacy of the maintenance program. This review may  
14 include any or all of the project facilities constructed by  
15 the United States and transferred to the Contractor or project  
16 facilities constructed by the Contractor with funds advanced  
17 by the United States. A report of the review, including  
18 recommendations, if any, shall be prepared and copies shall be  
19 furnished to the Contractor. Except for such participation by  
20 the Contractor as it may desire, the review shall be without  
21 cost to the Contractor.

22 (b) If deemed necessary by the Contracting  
23 Officer or requested by the Contractor, special inspections of  
24 any project works being operated by the Contractor and of the  
25 Contractor's books and records may be made to ascertain the

1 extent of any operation and maintenance deficiencies, to  
2 determine the remedial measures required for their correction,  
3 and to assist the Contractor in solving specific problems.  
4 Any special inspection or audit shall, except in a case of  
5 emergency, be made after written notice to the Contractor and  
6 the actual cost thereof shall be paid by the Contractor to the  
7 United States.

8 GENERAL OBLIGATION - BENEFITS CONDITIONED UPON PAYMENT

9 17. (a) The obligation of the Contractor to pay  
10 the United States as provided in this contract is a general  
11 obligation of the Contractor notwithstanding the manner in  
12 which the obligation may be distributed among the Contractor's  
13 water users and notwithstanding the default of individual  
14 water users in their obligations to the Contractor.

15 (b) The payment of charges becoming due here-  
16 under is a condition precedent to receiving benefits under  
17 this contract. No water shall be made available to the Con-  
18 tractor through project facilities during any period in which  
19 the Contractor may be in arrears in the advance payment of any  
20 operation and maintenance charges due the United States or in  
21 arrears for more than 12 months in the payment of any construc-  
22 tion charges due in the United States. The Contractor shall  
23 not furnish water made available pursuant to this contract for  
24 lands or parties which are in arrears in the advance payment  
25 of operation and maintenance or toll charges or in arrears

1 more than 12 months in the payment of construction charges as  
2 levied or established by the Contractor.

3 LEVY OF ASSESSMENT, TOLLS AND CHARGES

4 18. The Contractor shall cause to be levied and  
5 collected all necessary taxes, assessments, tolls, which may  
6 include an account charge for irrigation water, and other  
7 charges and shall use all of the authority and resources of  
8 the Contractor to meet the obligations of the Contractor to  
9 make in full all payments to be made pursuant to this contract  
10 on or before the date such payments become due and to meet its  
11 other obligations under this contract.

12 PENALTY FOR DELINQUENT PAYMENTS

13 19. The Contractor shall pay a penalty on installments  
14 or charges which become delinquent computed at the rate of 1%  
15 per month of the amount of such delinquent installments or  
16 charges for each day from such delinquency until paid: Provided,  
17 That no penalty shall be charged to the Contractor unless such  
18 delinquency continues for more than 30 days in which event the  
19 penalty shall accrue from the initial date of delinquency.

20 DISTRIBUTION AND BENEFICIAL USE OF PROJECT WATER

21 20. (a) The Contractor shall be responsible for  
22 the control, carriage, measurement, handling, distribution,  
23 and use of all project water delivered or taken hereunder and  
24 agrees to hold the United States, its officers, agents, employees,  
25 and successors or assigns, harmless from every claim for

1 damages to persons or property, direct or indirect, and of  
2 whatever nature, arising out of or in any manner connected  
3 with the Contractor's control, carriage, measurement, handling,  
4 distribution, or use of such water. The Contractor shall not  
5 use or permit the use of any of the project irrigation water  
6 taken or delivered hereunder on any lands other than those  
7 irrigable lands as defined in Subarticle 1(j), within the  
8 Contractor and which are covered by executed water allotment  
9 petitions or contracts as provided in Subarticle 8(b).

10 (b) Beneficial use shall be the basis, the  
11 measure and the limit of the right to the use of project water.

12 WATER SHORTAGES, WASTE, SEEPAGE, AND RETURN FLOWS

13 21. (a) On account of drought or other causes,  
14 there may occur at times during any year a shortage in the  
15 quantity of water available for delivery to the project pursuant  
16 to this contract. In no event shall any liability accrue  
17 against the United States or any of its officers or employees  
18 for any damage, direct or indirect, arising out of any such  
19 shortage.

20 (b) During periods of water shortage, municipal  
21 and industrial water users shall have the first priority to  
22 the project water physically available for such purposes;  
23 provided, however, this priority does not apply to water  
24 reserved by the United States in Article 8(d).

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1 land use and crop census, water supply, water use, changes of project  
2 works, and to other matters as the Contracting Officer may require.  
3 Reports thereon shall be furnished to the Contracting Officer in  
4 such form and on such date or dates as he may require. Subject to  
5 applicable Federal laws and regulations, each party shall have the  
6 right during office hours to examine and make copies of each other's  
7 books and records relating to matters covered by this contract.

8 RULES, REGULATIONS, AND DETERMINATIONS

9 25. (a) The Contracting Officer shall have the right to  
10 make, after an opportunity has been offered to the Contractor for con-  
11 sultation, rules and regulations consistent with the provisions of  
12 this contract, the laws of the United States and the State of Utah,  
13 to add to or modify them as may be deemed proper and necessary to carry  
14 out this contract, and to supply necessary details of its administration  
15 which are not covered by express provisions of this contract. The  
16 Contractor shall observe such rules and regulations.

17 (b) Where the terms of this contract provide for action  
18 to be based upon the opinion or determination of either party to this  
19 contract, whether or not stated to be conclusive, said terms shall not  
20 be construed as permitting such action to be predicated upon arbitrary,  
21 capricious, or unreasonable opinions or determinations. In the event that  
22 the Contractor questions any factual determination made by the Contracting  
23 Officer, the findings as to the facts shall be made by the Secretary only  
24 after consultation with the Contractor and shall be conclusive upon the  
25 parties.

1                                    PUBLIC USE OF RESERVOIRS

2                    26. The United States reserves the right to plan,  
3     construct, operate and maintain public recreation and fish and  
4     wildlife facilities in connection with or adjacent to the  
5     reservoir areas and to permit boating, fishing, hunting,  
6     picnicking, camping and all other public recreation or correlative  
7     uses of the reservoir areas, and to transfer the recreation  
8     use, administration, and further development thereof to other  
9     Federal, State, or local governmental agencies upon such terms  
10    and conditions as will best promote their development and  
11    operation in the public interest in accordance with Section 8  
12    of the Act of Congress approved April 11, 1956 (70 Stat. 105).  
13    Public use of the reservoir areas as provided herein or as  
14    provided in said Section 8 shall be consistent with the primary  
15    purposes of the project.

16                                DISPOSITION OF MISCELLANEOUS REVENUES

17                    27. All revenues derived from the rental or sale of  
18    land, interests in land, or other property acquired for project  
19    purposes shall belong to the United States and shall not be  
20    credited on the Contractor's repayment obligation except the  
21    revenue from lands, if any, acquired by the Contractor and  
22    conveyed without cost to the United States. Excepted from the  
23    provisions of this article are such items of movable property  
24    purchased for or transferred to the Contractor as provided in  
25    Subarticle 2(a).

NOTICES

28. Any notice authorized or required to be given to the United States is deemed given when mailed, postage prepaid, or delivered to the Regional Director, Upper Colorado Region, Bureau of Reclamation, 125 South State Street, P.O. Box 11568, Salt Lake City, Utah 84111. Any notice authorized or required to be given to the Contractor is deemed given when mailed, postage prepaid, or delivered to the Uintah Water Conservancy District, Route 1, Box 468, Vernal, Utah 84078. The designation of the addressee or the address given above may be changed by notice given in the same manner as provided in this article for other notices.

13 REMEDIES UNDER CONTRACT NOT EXCLUSIVE - WAIVERS

14 29. Nothing contained in this contract shall be

15 construed as in any manner abridging, limiting, or depriving

16 the United States or the Contractor of any means of enforcing

17 any remedy, either at law or in equity, for the breach of any

18 of the provisions hereof which it would otherwise have. Any

19 waiver at any time by either party to this contract of its

20 rights with respect to a default, or any matter arising in

21 connection with this contract, is not to be deemed a waiver

22 with respect to any subsequent default or matter.

23 APPROVAL OF CONTRACTS BY THE UNITED STATES

24 30. No contract made by the Contractor affecting

25 the project works, or relating to the delivery or distribution

1 of water, except contracts for usual labor, equipment, supplies,  
2 and service in connection with the operation and maintenance  
3 by the Contractor of the said works, shall be valid until  
4 approved by the Contracting Officer.

5 CHANGES IN CONTRACTOR'S ORGANIZATION

6 31. While this contract is in effect, no change  
7 shall be made in the Contractors's organization, by inclusion  
8 or exclusion of lands, by dissolution, consolidation, merger  
9 or otherwise, except upon the Contracting Officer's written  
10 consent.

11 CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

12 32. The expenditure or advance of any money or the  
13 performance of any work by the United States hereunder which  
14 may require appropriation of money by the Congress or the  
15 allotment of funds shall be contingent upon such appropriation  
16 or allotment being made. The failure of the Congress to  
17 appropriate funds or the absence of any allotment of funds  
18 shall not relieve the Contractor from any obligations under  
19 this contract. No liability shall accrue to the United States  
20 in case such funds are not appropriated or allotted.

21 CONFIRMATION OF CONTRACT

22 33. The execution of this contract shall be authorized  
23 or ratified by the qualified electors of the Contractor at an  
24 election held for that purpose. The Contractor, after the  
25 election and upon the execution of this contract, shall promptly

1 secure a final decree of the proper court of the State of Utah  
2 approving and confirming the contract and decreeing and adjudging  
3 it and the apportionment of the benefits made thereunder to be  
4 lawful, valid, and binding on the Contractor. The Contractor  
5 shall furnish to the United States a certified copy of such  
6 decree and of all pertinent supporting records.

7 ASSIGNMENT LIMITED - SUCCESSORS AND ASSIGNS OBLIGATED

8 34. The provisions of this contract shall apply to  
9 and bind the successors and assigns of the parties hereto, but  
10 no assignment or transfer of this contract or any part or  
11 interest therein shall be valid until approved by the Contracting  
12 Officer.

13 EQUAL OPPORTUNITY

14 35. During the performance of this contract, the  
15 Contractor agrees as follows:

16 (a) The Contractor will not discriminate  
17 against any employee or applicant for employment because of  
18 race, color, religion, sex, or national origin. The Con-  
19 tractor will take affirmative action to ensure that applicants  
20 are employed, and that employees are treated during employment,  
21 without regard to their race, color, religion, sex, or national  
22 origin. Such action shall include, but not be limited to the  
23 following: Employment, upgrading, demotion, or transfer;  
24 recruitment or recruitment advertising; layoff or termination;  
25 rates of pay or other forms of compensation; and selection for

1 training, including apprenticeship. The Contractor agrees to  
2 post in conspicuous places, available to employees and appli-  
3 cants for employment, notices to be provided setting forth the  
4 provisions of the Equal Opportunity clause.

5 (b) The Contractor will, in all solicitations  
6 or advertisements for employees placed by or on behalf of the  
7 Contractor, state that all qualified applicants will receive  
8 consideration for employment without regard to race, color,  
9 religion, sex, or national origin.

10 (c) The Contractor will send to each labor  
11 union or representative of workers, with which it has a  
12 collective bargaining agreement or other contract or under-  
13 standing, a notice to be provided by the Contracting Officer  
14 advising the labor union or workers' representative of the  
15 Contractor's commitments under this Equal Opportunity clause,  
16 and shall post copies of the notice in conspicuous places  
17 available to employees and applicants for employment.

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

22 (e) The Contractor will furnish all information  
23 and reports required by said amended Executive Order and by  
24 the rules, regulations, and orders of the Secretary of Labor,  
25 or pursuant thereto, and will permit access to its books,

1 records, and accounts by the Contracting Officer and the  
2 Secretary of Labor for purposes of investigation to ascertain  
3 compliance with such rules, regulations, and orders.

4 (f) In the event of the Contractor's non-  
5 compliance with the Equal Opportunity clause of this contract  
6 or with any of the said rules, regulations, or orders, this  
7 contract may be canceled, terminated, or suspended, in whole  
8 or in part, and the Contractor may be declared ineligible for  
9 further Government contracts in accordance with procedures  
10 authorized in said amended Executive Order, and such other  
11 sanctions may be imposed and remedies invoked as provided in  
12 said Executive Order, or by rule, regulation, or order of the  
13 Secretary of Labor, or as otherwise provided by law.

14 (g) The Contractor will include the provisions  
15 of paragraphs (a) through (g) in every subcontract or purchase  
16 order unless exempted by rules, regulations, or orders of the  
17 Secretary of Labor issued pursuant to Section 204 of said  
18 amended Executive Order, so that such provisions will be  
19 binding upon each subcontractor or vendor. The Contractor  
20 will take such action with respect to any subcontract or  
21 purchase order as the Contracting Officer may direct as a  
22 means of enforcing such provisions, including sanctions for  
23 noncompliance: Provided, however, That in the event the  
24 Contractor becomes involved in, or is threatened with, liti-  
25 gation with a subcontractor or vendor as a result of such

1 direction by the Contracting Officer, the Contractor may  
2 request the United States to enter into such litigation to  
3 protect the interests of the United States.

4 TITLE VI, CIVIL RIGHTS ACT OF 1964

5 36. (a) The Contractor agrees that it will comply  
6 with Title VI of the Civil Rights Act of July 2, 1964 (78  
7 Stat. 241) and all requirements imposed by or pursuant to that  
8 title, to the end that, in accordance with Title VI of that  
9 Act and the Regulation, no person in the United States shall,  
10 on the ground of race, color, or national origin be excluded  
11 from participation in, be denied the benefits of, or be other-  
12 wise subjected to discrimination under any program or activity  
13 for which the Contractor receives financial assistance from  
14 the United States and hereby gives assurance that it will  
15 immediately take any measures to effectuate this agreement.

16 (b) If any real property or structure thereon  
17 is provided or improved with the aid of Federal financial  
18 assistance extended to the Contractor by the United States,  
19 this assurance obligates the Contractor, or in the case of any  
20 transfer of such property, any transferee for the period  
21 during which the real property or structure is used for a  
22 purpose involving the provision of similar services or benefits.  
23 If any personal property is so provided, this assurance obligates  
24 the Contractor for the period during which it retains ownership  
25 or possession of the property. In all other cases, this



1 assurance obligates the Contractor for the period during which  
2 the Federal financial assistance is extended to it by the  
3 United States.

4 (c) This assurance is given in consideration  
5 of and for the purpose of obtaining any and all Federal grants,  
6 loans, contracts, property, discounts, or other Federal financial  
7 assistance extended after the date hereof to the Contractor by  
8 the United States, including installment payments after such  
9 date on account of arrangements for Federal financial assistance  
10 which were approved before such date. The Contractor recognizes  
11 and agrees that such Federal financial assistance will be  
12 extended in reliance on the representations and agreements  
13 made in this assurance, and that the United States shall  
14 reserve the right to seek judicial enforcement of this assurance.  
15 This assurance is binding on the Contractor, its successors,  
16 transferees, and assignees.

17 WATER AND AIR POLLUTION CONTROL

18 37. The Contractor shall, within its legal authority,  
19 comply fully with all applicable Federal laws, orders, and  
20 regulations, and the laws of the State of Utah, all as adminis-  
21 tered by appropriate authorities, concerning the pollution of  
22 streams, reservoirs, groundwater, or water courses with respect  
23 to thermal pollution or the discharge of refuse, garbage,  
24 sewage effluent, industrial waste, oil, mine tailings, mineral  
25 salts, or other pollutants, and concerning the polluting of

1 the air with respect to radioactive materials or other pollutants.

2 CONTINGENT FEE CLAUSE

3 38. The Contractor warrants that no person or  
4 selling agency has been employed or retained to solicit or  
5 secure this contract upon an agreement or understanding for a  
6 commission, percentage, brokerage, or contingent fee, excepting  
7 bona fide employees or bona fide established commercial or  
8 selling agencies maintained by the Contractor for the purpose  
9 of securing business. For breach or violation of this warranty,  
10 the Government shall have the right to annul this contract  
11 without liability or in its discretion to add to the contract  
12 repayment obligation or consideration the full amount of such  
13 commission, percentage, brokerage or contingent fee.

14 OFFICIALS NOT TO BENEFIT

15 39. (a) No Member of or Delegate to Congress or  
16 Resident Commissioner shall be admitted to any share or part  
17 of this contract or to any benefit that may arise herefrom.  
18 This restriction shall not be construed to extend to this  
19 contract if made with a corporation or company for its general  
20 benefit.

21 (b) No official of the Contractor shall receive  
22 any benefit that may arise by reason of this contract other  
23 than as a landowner within the project and in the same manner  
24 as other landowners within the project.

- 1 IN WITNESS WHEREOF, the parties hereto have signed
- 2 their names the day and year first above written.

UNITED STATES OF AMERICA

By /s/ David L. Crandall  
Contracting Officer

UINTAH WATER CONSERVANCY DISTRICT

By /s/ B. H. Stringham  
President

ATTEST:

/s/ L. Y. Siddoway  
Secretary

(SEAL)