

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

JENSEN WATER IMPROVEMENT DISTRICT, a political subdivision of the State of Utah, organized under the laws of the State of Utah, hereinafter referred to as "JENSEN", hereby petitions the Uintah Water Conservancy District, hereinafter referred to as "District", for a perpetual allotment of 1,000 acre-feet annually of municipal and industrial water, hereinafter referred to as "project water". Such water to be made available through construction of the Central Utah Project, Jensen Unit, hereinafter referred to as "Project". The initial 500 acre-feet of water petitioned for hereunder shall be available for delivery to JENSEN during calendar year 1984 or in the first year that facilities are sufficiently completed so that 500 acre-feet of water can be delivered. Additional quantities of water shall be committed to JENSEN by District block notices as project water becomes available to District, after receipt of block notices to be issued by the United States to District. Such District block notices shall be issued from time to time after consultation among the parties hereto and the United States, until 1,000 acre-feet of water is committed to JENSEN. It is agreed that District block notices shall not be issued more frequently than once each year and that not more than 100 acre-feet shall be committed after the initial 500 acre-feet commitment in any one

block notice.

1. JENSEN agrees to pay District annually on or before January 25 for water committed to JENSEN by block notices from the District for that calendar year. JENSEN'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 Article 5(c) of Contract No. 6-05-01-00143 dated June 3, 1976, including any supplements or amendments thereto hereinafter referred to as the "Government-District contract", attached as an exhibit to this petition, for that quantity of project municipal and industrial water committed to JENSEN by District block notice, and an appropriate share of the operation, maintenance and reserve fund expense.

(a) Payment for Untreated Water: It is mutually acknowledged that District shall acquire the perpetual right to use the municipal and industrial water developed through construction of the Project, under the Government-District contract. District is required under said contract, and under Federal Reclamation Law, to pay the allocated cost of the development of each block of municipal and industrial water, plus interest, over a 50 year period from the date such block of water is committed to District by development block notices issued by the United States.

Although District shall be required to pay the repayment obligation within 50 years from the date each block of water is made available, it is agreed that JENSEN shall pay the rate per acre-foot charged by District, as provided herein, on water

committed to JENSEN by each District block notice, until District's obligation to the United States for the cost allocated for construction of facilities capable of developing 18,000 acre-feet of municipal and industrial water has been paid in full, provided that JENSEN will never have to pay more than its prorated share of said 18,000 acre-feet. The balance of the project costs associated with municipal and industrial water will be paid by District or other municipal and industrial users purchasing water from the District. The above provision for a continued payment by JENSEN to District after District has paid the United States in full for a particular block of water is made so that the per acre-foot rate charged by District to JENSEN can be maintained at an average lower amount throughout the whole period from the date when water is first committed until District has paid the United States in full for all blocks of municipal and industrial water committed to JENSEN.

Based on January, 1980, estimated Jensen Unit construction costs, and assuming that the first block notice is given to the District by the United States by 1984, and the last block notice is given by 1994, and that the obligation of District to the United States for the 18,000 acre-feet of municipal and industrial project water is paid in full by the year 2044, and that water users shall pay the per acre-foot rate each year on each block of water from the time it is first committed by a District block notice until the District has paid the repayment obligation to the United States on the total 18,000 acre-feet of water in about 2044, it is estimated that the total costs for

developing this 18,000 acre-feet of municipal and industrial project water shall be about \$110.00 per acre-foot per year.

Blocks of water shall be committed to JENSEN by District block notices which shall specify, among other things, annual rate per acre-foot of water. Such rate shall prevail only for that block of water and until the District's obligation to the United States for the total quantity of municipal and industrial water allotted to the District has been paid in full or until such rate is changed by an amended block notice. The \$110.00 per acre-foot rate (as the same may be adjusted as permitted herein) shall be paid by JENSEN for untreated water and requires that JENSEN pay said per acre-foot rate to District on each block of water from the time each block is committed to JENSEN until District has paid, as provided for above, for the 18,000 acre-feet of municipal and industrial water.

District reserves the right to increase or decrease the rate per acre-foot to be paid by JENSEN, 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. It is mutually acknowledged that cost changes, if any, shall be reflected in development block notices or amended development block notices from the United States to District.

(b) Operation, Maintenance and Reserve Fund Charges:
The District shall notify JENSEN 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 that part of the 1,000 acre-

feet of municipal and industrial water that has been committed to JENSEN by block notices. JENSEN 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 Jensen 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) Reference Point: The initial charge to JENSEN for developing water (paragraph 1(a) hereof) is estimated to be approximately \$110.00 per acre-foot. The other charges provided for in paragraph 1(b) hereof are initially estimated to be \$7.00 per acre-foot, thus providing an initial total annual charge to JENSEN (which is subject to change as provided for herein) of \$117.00 per acre-foot.

(d) Equal Treatment: 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. The parties mutually acknowledge that after 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 District to reduce its rates to JENSEN. However, the parties also acknowledge that District at said time may endeavor to develop other water supplies for allotment to

JENSEN 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 the revenues to finance said new facilities. However, unless a new allotment of municipal and industrial water is petitioned for by JENSEN, the parties hereto mutually agree that when the District's repayment obligations to the United States under said Government-District contract have been fully paid, the parties shall renegotiate the rates to be charged by District to reflect the decrease in District's annual obligations regarding this 18,000 acre-feet of municipal and industrial water, by reason of the fact that District's contract with the United States as to said water has been fully paid.

3. The allotment of 1,000 acre-feet of water per year hereunder is made in perpetuity as committed to JENSEN under District's block notices.

4. It is mutually agreed that the water to be delivered to JENSEN hereunder will be untreated water.

5. The first annual payment by JENSEN shall be made on or before January 25, 1984, or January 25 of the calendar year when Project municipal and industrial water is first committed by District block notice to JENSEN. Subsequent annual payments are to be made on or before January 25 of each year thereafter for all water theretofore committed to JENSEN.

6. Water is to be delivered to JENSEN in accordance with operating criteria to be developed (after consultation with JENSEN) by the District as approved by the United States. Payments required by paragraph 1 hereof shall be made on all water committed to JENSEN by block notices from the District, whether all or any part of the water is called for or used by JENSEN. It is mutually agreed that during some water years the Project may have water available, but JENSEN can reasonably meet its water needs in whole or in part from its own sources. During such times, the 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 JENSEN, or for any other project water user. During dry years, as to be provided for in the operating criteria, the District may deliver more water to JENSEN than that committed for annual delivery in the District block notices. To the extent that water is thus made available, additional water used by JENSEN shall not increase the annual payment for that year, for it is the intent of the parties that the amount of water committed as being available under District block notices shall be an average, and that during good water years, JENSEN may need and use less than the average, and during dry years, it may need and use more than the average, but annual payments shall be made as agreed herein on the quantity committed by District block notices.

7. Class B taxes may be levied annually by District's Board of Directors upon property within JENSEN 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 to be paid by JENSEN, as fixed in accordance with paragraph 1 hereof, less any sum paid or undertaken to be paid by JENSEN from water revenues and other sources. In making such levies, 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 JENSEN at Red Fleet Reservoir and measured for delivery to JENSEN at the inlet to the Tyzack Aqueduct. The point of delivery shall be at or near the end of the Tyzack Aqueduct Reach 1 at the proposed location of the Ashley Valley Water 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 JENSEN.

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 District, no liability shall 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 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 District's Board of Directors.

10. JENSEN shall promote and encourage compliance by its 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 JENSEN. No water shall be made available by JENSEN to any single industrial user in quantities greater than 1,000 acre-feet annually without written assurance that the provisions of the National Environmental Policy Act of 1969 have been complied with and the environmental impacts of the use of water for said purposes are acceptable.

11. 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, shall be contingent upon such appropriations or allotment being made. The failure of the Congress to so appropriate funds or the absence of any allotment of funds shall not relieve JENSEN from any obligations under District block notices given under this contract for water already being delivered, and no liability shall accrue to the United States in case such funds are not appropriated or allocated.

12. Any commitment of water and payments to 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 12 day of January, 1982.

JENSEN WATER IMPROVEMENT DISTRICT

Attest:

By: Jean M. Ainge
Clerk

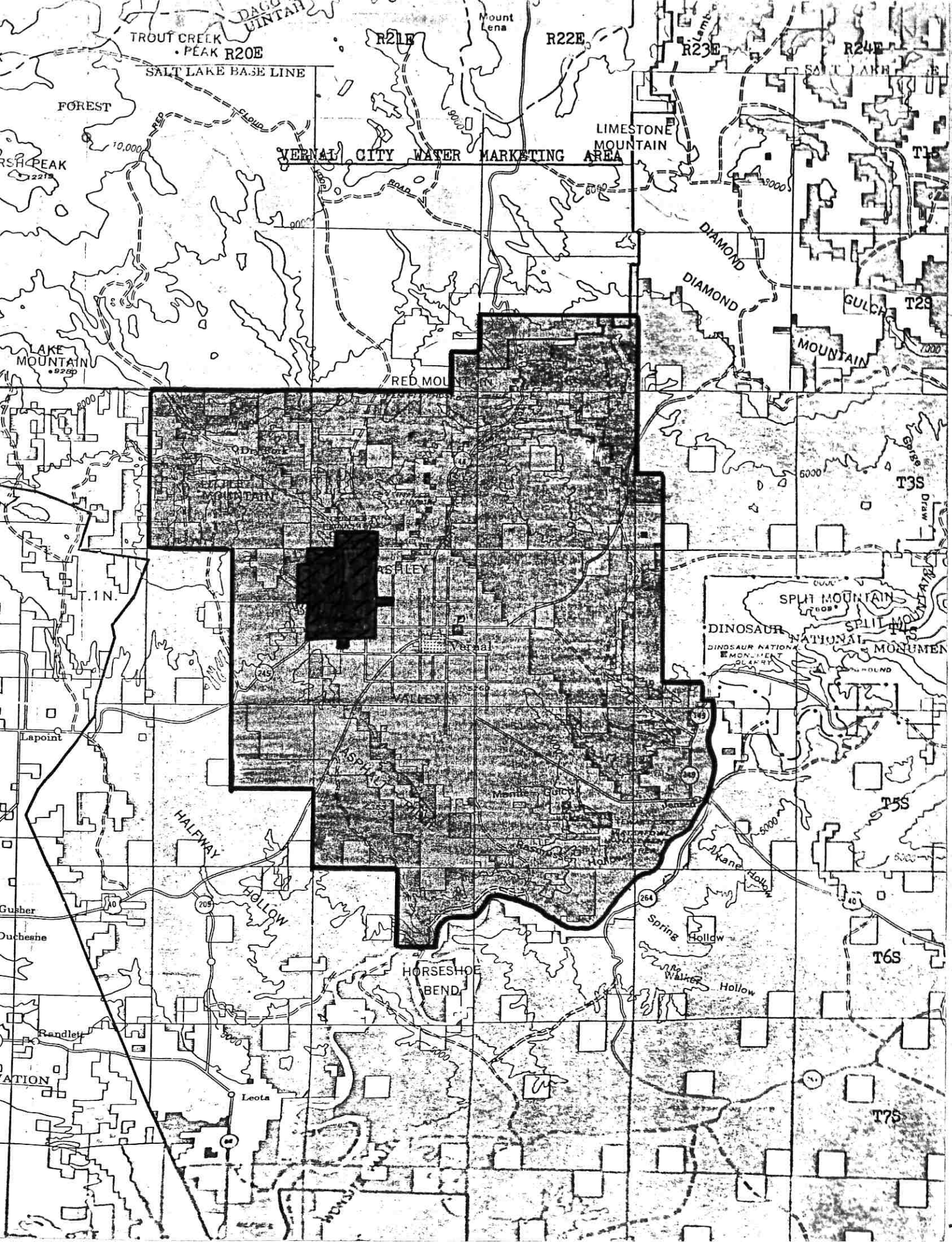
By: Richard Tetley
Chairman

APPROVED:

Alfred Barnett
Official Representative
Secretary of the Interior

"Appd. Sol. Off,

W. R. Coates



R E S O L U T I O N

WHEREAS, the Jensen Unit of the Central Utah Project was authorized by the United States Congress in 1956 as a participating unit under the Colorado River Storage Project;

WHEREAS, the U. S. Bureau of Reclamation planned and has under construction the Jensen Unit: Red Fleet Dam is complete, the Tyzack Aqueduct Reach 1 is under contract, and Tyzack Reach 2 and 3 are being planned;

WHEREAS, the Uintah Water Conservancy District on June 3, 1976 signed a contract to repay the repayable costs of the Jensen Unit;

WHEREAS, Vernal City on January 12, 1977 petitioned for an allotment of 12,000 acre-feet of M & I water from the Jensen Unit and as a part of that petition, designated a market area for the Jensen Unit water. This market area covered all of Ashley Valley and Jensen, but excluded the Maeser area;

WHEREAS, the Jensen Water Improvement District wishes to acquire a municipal water supply for their system and has petitioned the Uintah Water Conservancy District for an allotment of 1,000 acre-feet of municipal and industrial water from the Jensen Unit. This 1,000 acre-foot allotment is to be delivered through the Tyzack Aqueduct to the proposed location of the Ashley Valley Water Treatment Plant, and being in the Vernal City market area this 1,000 acre-feet will be a portion of the water petitioned for by Vernal City in 1977;

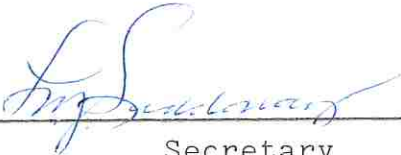
WHEREAS, the Uintah Water Conservancy District has advertised the Jensen Water Improvement District petition and held a public hearing on February 8, 1982;


NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Uintah Water Conservancy District that they do hereby approve said petition with the Jensen Water Improvement District and do hereby make an allotment of 1,000 acre-feet of project municipal and industrial water to the Jensen Water Improvement District. The said 1,000 acre-feet will reduce the Vernal City petition by the same amount.

Dated this 8th day of February, 1982.

UINTAH WATER CONSERVANCY DISTRICT

Attest:


Secretary

By: 
President

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

JENSEN WATER IMPROVEMENT DISTRICT, a political subdivision of the State of Utah, organized under the laws of the State of Utah, hereinafter referred to as "JENSEN", hereby petitions the Uintah Water Conservancy District, hereinafter referred to as "District", for a perpetual allotment of 300 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

JENSEN previously petitioned the District for 1,200 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 \$ 5,545,592.00 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 JENSEN previously petitioned for to 300 acre-feet annually and to adjust JENSEN's repayment obligation accordingly.

1. JENSEN agrees to pay the District annually on or before January 25 for water committed to JENSEN by the District for that calendar year. JENSEN'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 300 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 JENSEN shall pay the rate per acre-foot charged by the District, as

provided herein, on water committed to JENSEN 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 JENSEN 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 JENSEN for untreated water. JENSEN agrees to pay said per acre-foot rate to the District for the 300 acre-feet of project water committed to JENSEN until the 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 JENSEN, 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 JENSEN in writing on or before April 1

preceding the year to which the notice is applicable, the estimated amount of operation, maintenance and reserve fund costs and charges reasonably accruing to the 300 acre-feet of municipal and industrial water committed to JENSEN. JENSEN 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 JENSEN 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 JENSEN. However, it is acknowledged that the District at said time may endeavor to develop other water supplies for allotment to JENSEN and other areas within District for municipal and industrial purposes, and that the 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 JENSEN, 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 2,000 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 300 acre-feet of water per year hereunder is made in perpetuity.

4. It is mutually agreed that the water to be delivered to JENSEN hereunder will be untreated water.

5. The first annual payment by JENSEN 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 JENSEN.

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

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 JENSEN, 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 JENSEN'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 JENSEN 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 JENSEN at Red Fleet Reservoir and measured for delivery to JENSEN at the inlet to the Tyzack Aqueduct. 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 JENSEN.

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 27 day of May, 1993.

JENSEN WATER IMPROVEMENT DISTRICT

By: Boyd R. Snow

Attest:

Francis Olson
Clerk

ACCEPTED:

UINTAH WATER CONSERVANCY DISTRICT

By: David L. Murray

APPROVED:

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

By: Ronald Dean

