

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
CENTRAL UTAH PROJECT - VERNAL UNIT, UTAH

CONTRACT BETWEEN THE UNITED STATES
AND
THE UINTAH WATER CONSERVANCY DISTRICT
FOR
SAFETY OF DAMS WORK ON STEINAKER DAM

THIS CONTRACT (Contract) is made this 21st day of February, 2018, pursuant to the Act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, particularly the Safety of Dams Act of November 2, 1978 (Public Law 95-578, 92 Stat. 2471), as amended, between the UNITED STATES OF AMERICA, acting through the Regional Director, Upper Colorado Region, Bureau of Reclamation (United States or Reclamation), the duly authorized representative of the Secretary of the Interior (Secretary); and the UINTAH WATER CONSERVANCY DISTRICT (District), a water conservancy district organized and existing under the laws of the State of Utah, with its principal office at Vernal, Utah.

WITNESSETH, that:

EXPLANATORY RECITALS

WHEREAS, Steinaker Dam (Dam) was constructed between 1959 and 1962 by the United States as part of the Vernal Unit of the Central Utah Project, to provide storage for irrigation water, municipal and industrial water, fish and wildlife enhancement, and recreation; and

WHEREAS, Reclamation and the District entered into Repayment Contract No. 14-06-400-778 (Repayment Contract) dated July 14, 1958, under which the District agreed to collect and remit

to the United States the water users' repayment obligation and to perform the day-to-day operation and maintenance of Vernal Unit facilities, which it has done without interruption since entering into the Repayment Contract; and

WHEREAS, in 1992 when Reclamation was constructing a stability berm on the downstream face of Steinaker Dam to address seismic risk under the Safety of Dams (SOD) program, a slope failure occurred on the left abutment of Steinaker Dam which also required SOD work be performed (as construction of the stability berm had already begun, Reclamation completed both projects at the same time); and

WHEREAS, Reclamation and the District entered into Repayment Contract No. 92-07-40-R1550 on November 17, 1992, to address repayment of the District's portion of the SOD expenses, which is anticipated to be completed no later than calendar year 2043; and

WHEREAS, on September 23, 2014, a fisherman reported the appearance of a 300 to 400-foot scarp on the on the upstream right abutment of Steinaker Dam, which was evidence that a slope failure had occurred; and

WHEREAS, in the following days and weeks, Reclamation addressed the slope failure by imposing a reservoir restriction to limit risk to the public and initiating a SOD investigation which generated various alternatives to address the slope failure, including the preferred alternative—removing and replacing the existing embankment with a new embankment with a shallower slope and extending the outlet works conduit to accommodate the new embankment; and

WHEREAS, because the ongoing reservoir restriction affects the economy of the Vernal area and the livelihoods of farmers, ranchers, and others who rely on the Vernal Unit water supply,

Reclamation is prepared to initiate SOD construction as promptly as circumstances will permit; and

WHEREAS, the Safety of Dams Act of 1978, as amended, authorizes Reclamation to make modifications to federal facilities to improve safety as determined necessary by the Secretary, with fifteen (15) percent of the costs incurred to correct the safety problems to be allocated among the reimbursable project purposes and reimbursed by project beneficiaries.

NOW, THEREFORE, in consideration of the mutual covenants and stipulations herein contained, it is mutually agreed between the parties as follows:

DEFINITIONS

1. When used herein, the term:
 - (a) “Aid to Irrigation” means the authorization under the Colorado River Storage Project Act (CRSPA) of April 11, 1956 (70 Stat. 105), wherein CRSPA power users repay the portion of Reimbursable Costs allocated to irrigation that exceeds the irrigators’ ability to pay, as calculated by Reclamation.
 - (b) “Construction Contract(s)” means the legal instrument(s) and agreement(s) between Reclamation and any and all contractors under which the construction contractors are obligated to complete the Modification Work in exchange for payment by the United States.
 - (c) “Facility Reviews of Dams” means any Reclamation review, inspection, data-gathering, or analysis determined to be necessary by Reclamation to fulfill its obligation as owner of Steinaker Dam and Reservoir.
 - (d) “Interest During Construction” or “IDC” means the interest charges associated with the District’s 15 percent of SOD obligations that will accrue as a result of the expenditure of SOD monies during the SOD construction period (from the time the Dam

is removed from general operating status and moved into active construction status and until it is returned to general operating status after the SOD project is Substantially Complete).

(e) "Interest on Investment" or "IOI" means the interest charges on the repayment balance that are accrued during the repayment term (from the time the SOD project is Substantially Complete until the repayment obligation is fulfilled).

(f) "Modification Work" means the SOD program work to be performed on Steinaker Dam, as set forth in Article 2 herein, subject to such modifications as may be required to complete the work.

(g) "Construction Status" means the condition of the Dam being under SOD construction from the time when the Modification Work begins until the project is Substantially Complete, during which time Reclamation and the District operate the Dam and other project facilities jointly.

(h) "Reimbursable Costs" means the portion of the costs of the Modification Work that is subject to repayment to the United States under the Safety of Dams Act and associated law and policy, generally equal to 15 percent of the costs incurred by the United States pursuant to the SOD Act for the Modification Work.

(i) "Safety of Dams Act" means the Act of Congress approved November 2, 1978 (Public Law 95-578, 92 Stat. 2471), as amended and supplemented.

(j) "Secretary" means the Secretary of the Interior or his/her duly authorized representative.

(k) "Substantial Completion/Substantially Complete" means the condition of the Modification Work having progressed to the point that Reclamation determines, at its sole discretion but after consultation with the District, that the facility is operable for its original purposes, except as limited by first filling requirements and other restrictions associated with the Modification Work.

WORK TO BE PERFORMED

2. The Modification Work on Steinaker Dam, as defined in the Steinaker Dam Modification Report (MOD Report), dated September 2017, shall consist of, but is not limited to: repairing the slope failure and constructing a flatter, more stable earthen slope on the upstream face of Steinaker Dam, treating the bedrock at the right abutment and reconstructing the embankment zone material, extending the outlet works conduit, and constructing a new intake structure.

SCHEDULING OF MODIFICATION WORK

3. Reclamation plans for the Modification Work to begin in 2018 and estimates the project will be Substantially Complete by 2020, in accordance with the provisions of the Construction Contract(s) and any foreseeable modifications thereto. All Modification Work and associated schedules are contingent on approval of the request for funding and appropriation of SOD funds. Reclamation will schedule the Modification Work, to the extent possible, to allow the District to maximize water storage in Steinaker Reservoir during the time the Dam is in Construction Status. Reclamation will notify the District in a timely manner should any changes in reservoir operations become necessary. In all cases, Reclamation shall make the final decisions as to the scheduling of the Modification Work and any accompanying changes in reservoir operations which may be necessary, reflecting the fact that Steinaker Dam will be in Construction Status during the performance of the Modification Work, as set forth in Article 12 below.

TERM OF CONTRACT

4. The term of this Contract shall begin upon the date of execution above and terminate when the Reimbursable Costs have been paid in full by the District, as outlined in Article 7 below.

COSTS OF THE UNITED STATES

5. Costs of the United States include all costs incurred by Reclamation from the date that corrective action was determined necessary for: surveys, preparation and/or review of designs, negotiations with the District, payment by the United States to the construction contractor(s), and administration of the Construction Contract and this Contract, including the actual costs allocable to the inspection and approval of work performed, and all other Reclamation expenses related to the Modification Work.

RIGHTS-OF-WAY

6. Reclamation agrees to secure any additional rights-of-way necessary to start and complete the Modification Work. If necessary, the United States shall exercise its legal authority to acquire needed rights-of-way. Costs for such rights-of-way and associated land administration work shall become part of the cost of the Modification Work.

TERMS OF REPAYMENT

7. The District agrees to the following terms of repayment:
- (a) The total estimated cost of the Modification Work is \$43,900,000 of which fifteen percent or an estimated \$6,585,000 (15% of \$43,900,000) is reimbursable by the District. Notwithstanding the estimated costs, the District shall be responsible for repayment of fifteen percent of the final total costs of the Modification Work. The division of reimbursable costs between irrigation and M&I will be based on the benefits allocation calculation in the finalized MOD Report, which is expected to be 52 percent allocated to irrigation and 48 percent allocated to M&I, but will be subject to change based on Section 7(e) below. Final total costs may be greater or lesser than the above estimate. In the event that actual costs exceed the estimate, the United States will promptly notify the District in writing.

(b) The District shall repay all of the Reimbursable Costs allocated to irrigation throughout the term of the Contract. Costs allocated to irrigation shall be repaid without interest over a period of 50 years, with the repayment period being completed 50 years after the year in which the Modification Work is declared to be Substantially Complete; however, the first payment shall be due in 2033. The District shall repay the actual Reimbursable Costs allocated to irrigation as indicated in the preliminary payout schedule attached as Exhibit A, described therein as the “irrigation repayment principal”. The repayment amount and the resulting annual payment shown in Exhibit A are based on the estimated cost of the Modification Work. The amount of the annual payment shall be adjusted appropriately when the final total cost of the Modification Work becomes available; a new Exhibit A reflecting actual Reimbursable Costs will be issued by Reclamation and appended to this Contract at that time. The SOD modification costs allocated to irrigation will be evaluated throughout the term of this Contract and Reclamation will make certain that any amount that remains unpaid at the end of the repayment period will be repaid by power users through Aid to Irrigation, pursuant to the Colorado River Storage Project Act of April 11, 1956.

(c) Total Reimbursable Costs allocated to M&I but not including IDC or Interest on Investment are estimated to be \$3,160,800. Reimbursable Costs allocated to M&I shall also include the M&I portion of IDC (which is not included in the above estimate) at the IDC rate, as determined by Reclamation policy. The District shall repay the actual Reimbursable Costs (including associated IDC) allocated to M&I over a period of 50 years with repayment interest assessed at a weighted average of the annual interest rates in effect during the Modification Work, as indicated in the preliminary payout schedule attached as Exhibit A. The weighted average of the interest repayment rates in effect during the Modification Work is equal to the average of the annual SOD rates (established under the SOD Act) for the years in which costs for the Modification Work are incurred, with each year’s rate weighted by the percentage of total modification costs incurred in that year.

- (d) Throughout the term of this Contract, remaining M&I principal may be retired at any time through advance payments from the District to Reclamation.
- (e) Conversion of water from irrigation purposes to municipal and industrial purposes is authorized in the Vernal Unit of the Central Utah Project. Not less than once every five (5) years, Reclamation, in cooperation with the District, will perform a rate review to determine the amount of project water that was converted from irrigation to M&I during the previous five years. Based on that review, Reclamation will adjust the total M&I repayment obligation and annual payment to reflect the amount of water that has been converted between irrigation delivery and M&I delivery, as those terms are defined in the version of the Reclamation Manual Policy, Water-Related Contracts - General Principles and Requirements (PEC P05) in place on the date of execution of this Contract, and included with this Contract as Exhibit C. As a result of the review, Reclamation will develop a new Exhibit A and the District agrees to modify its repayment to match the revised repayment schedule. As power Aid to Irrigation will be applied at the end of the contract to assist the water users, the per acre-foot irrigation component of the repayment will not be reduced as a result of a rate review. Any water that is converted from irrigation to M&I delivery will bear interest at the established Interest on Investment (IOI) rate for the M&I water delivery. The assessment of IOI will begin the year following the date that additional M&I delivery is recognized.
- (f) When one acre-foot of project water is found to have been converted from irrigation to M&I use under Sub-article 7(e) prior to the initial payment in 2033, the estimated effect on irrigation repayment is a one-time reduction in the total irrigation repayment obligation of \$258.10; the effect on M&I repayment is a corresponding increase in the total M&I repayment obligation of \$258.10. The estimated value of \$258.10 is calculated as follows:

Y = the estimated change in the irrigation and M&I repayment obligations associated with a conversion of one acre-foot of project water

IAF = the total acre-foot average irrigation use (approximately 13,267 AF) (see September 2017 Safety of Dams Modification Report for Steinaker Dam Table 2. Summary of Average Irrigation Benefits Irrigation Deliveries)

I\$ = the total cost of the Modification Work allocated to irrigation (estimated to be \$3,424,200)

The formula for calculating Y is:

$$\begin{aligned} Y &= I\$ / IAF \\ &= \$3,424,200 / 13,267 \text{ AF} \\ &= \$258.10 \end{aligned}$$

If the conversion takes place after 2033, the change in the irrigation and M&I repayment obligations associated with a conversion of one acre-foot of project water must reflect credit for the years of repayment under irrigation terms before the conversion took place. As a result, after repayment has begun the change in obligation is calculated using the following additional terms and the following formula:

N = the number of years in which irrigation repayment was remitted by the District

IP\$ = the total annual payment associated with the irrigation allocation (estimated to be \$61,579)

X = the portion of the total annual payment associated with irrigation represented by one acre-foot

The formula for calculating X is:

$$\begin{aligned} X &= \text{IP\$} / \text{IAF} \\ &= \$61,579 / 13,267 \\ &= \$4.64 \end{aligned}$$

The formula for calculating Y in 2034 (one first year after 2033 in order to credit the District for one year of irrigation payments made) is:

$$\begin{aligned} Y &= (\text{I\$} / \text{IAF}) - (X * N) \\ &= (\$3,424,200 / 13,267 \text{ AF}) - ((\$61,579 / 13,267) * 1) \\ &= \$258.10 - \$4.64 \\ &= \$253.46 \end{aligned}$$

The obligation transferred from irrigation to M&I under Sub-articles 7(e) and 7(f) will be subject to accrual of IOI throughout the remainder of the M&I repayment period. If the District has paid out the M&I Reimbursable Costs and additional conversion occurs, the District shall repay the obligation transferred to M&I over the remaining years of the M&I repayment period with interest. Reclamation will make adjustments to the repayment obligations associated with conversion at the end of the water year so that adjusted payments will not be due until after the water is converted.

(g) The annual M&I repayment amount may be different in any given year depending on the amount of water converted from irrigation to M&I per Sub-article 7(e) above, and as demonstrated in the attached Exhibit B.

(h) The first annual payment for the obligations herein shall become due on March 1 of the year following the year in which the Modification Work is declared Substantially Complete.

PRIOR CONTRACTS

8. The terms and conditions of the Repayment Contract, as amended and supplemented, and any other prior contracts shall remain in full force and effect, except as may be specifically modified herein.

ENVIRONMENTAL AND CULTURAL COMPLIANCE

9. Compliance with the provisions of the National Environmental Policy Act (NEPA), as amended, including the Endangered Species Act (ESA), and National Historic Preservation Act (NHPA), as amended, are a prerequisite to execution of this Contract. Compliance was addressed through the Steinaker Dam, Central Utah Project - Vernal Unit, Uintah County, Utah, Safety of Dams Modification, Environmental Assessment and Finding of No Significant Impact, No. PRO-EA-16-010 completed January 6, 2017.

CHARGES FOR DELINQUENT PAYMENTS

10. The District shall be subject to interest, administrative and penalty charges on delinquent installments or payments. When a payment is not received by the due date, the delinquent party shall pay an interest charge for each day the payment is delinquent beyond the due date. When a payment becomes 60 days delinquent, the delinquent party shall pay an administrative charge to cover additional costs of billing and processing the delinquent payment. When a payment is delinquent 90 days or more, the delinquent party shall pay an additional penalty charge of 6 percent per year for each day the payment is delinquent beyond the due date. In addition, the delinquent party shall pay any fees incurred for debt collection services associated with a delinquent payment.

The interest charge rate shall be the greater of the rate prescribed quarterly in the Federal Register by the Department of the Treasury for application to overdue payments, or the interest rate of 0.5 percent per month prescribed by section 6 of the Reclamation Project Act of 1939

(Public Law 76-260). The interest charge rate shall be determined as of the due date and remain fixed for the duration of the delinquent period.

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

GENERAL OBLIGATION—BENEFITS CONDITIONED UPON PAYMENT

11. The obligation of the District to pay the United States as provided in this Contract is a general obligation of the District notwithstanding the manner in which the obligation may be distributed among the District's water users and notwithstanding the default of individual water users in their obligation to the District.

The payment of charges becoming due pursuant to this Contract is a condition precedent to receiving benefits under this Contract. The United States shall not make water available to the District through Central Utah Project - Vernal Unit facilities during any period in which the District is in arrears for more than 12 months in the payment of any construction charges due the United States. The District shall not deliver water under the terms and conditions of this Contract for lands or parties that are in arrears more than 12 months in the payment of construction charges as levied or established by the District.

OPERATION AND MAINTENANCE OF PROJECT WORKS

12. During the Modification Work, Steinaker Dam shall be transferred to Reclamation Construction status, with Reclamation and the District cooperating in the monitoring and operation of the dam. Upon Substantial Completion of the Modification Work, and following written notification, the dam will be transferred back to full District operation and maintenance status. Title to the project works will remain in the name of the United States unless otherwise provided by the Congress of the United States.

The District agrees to indemnify the United States for, and to hold the United States and all of its representatives harmless from, all damages resulting from suits, actions, or claims of any character brought on account of any injury to any person or property arising out of any act, omission, neglect, or misconduct in the manner or method of performing any construction, care, operation, maintenance, supervision, examination, inspection, or other duties of the District required under this contract, regardless of who performs those duties.

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

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

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

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

The United States shall prepare reports based on the examinations, inspections, or audits and furnish copies of such reports and any recommendations to the District.

With the exception of Facility Reviews of Dams, the District shall reimburse the actual cost incurred by the United States in conducting operation and maintenance examinations,

inspections, and audits and preparing associated reports and recommendations.

NOTICES

14. Any notice, demand, or request authorized or required by this Contract shall be deemed to have been given, on behalf of the District, when mailed, postage prepaid, or delivered to the Regional Director, Upper Colorado Region, Bureau of Reclamation, 125 South State Street, Suite 8100, Salt Lake City, Utah 84138, and on behalf of the United States when mailed, postage prepaid or delivered to the President, Uintah Water Conservancy District, 78 W 3325 N Vernal, UT 84078. The designation of the address or the addressee may be changed by notice given in the same manner as provided in this article for other notices.

CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

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

OFFICIALS NOT TO BENEFIT

16. No Member of or Delegate to Congress, Resident Commissioner or official of the District shall benefit from this Contract other than as a water user or landowner in the same manner as other water users or landowners. No officer, director, or employee of any entity or subdivision obligated to the District for repayment of obligations under this Contract shall benefit from this Contract other than as a water user or landowner in the same manner as other water users or landowners.

CHANGES IN DISTRICT'S ORGANIZATION

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

BOOKS, RECORDS, AND REPORTS

18. The District shall establish and maintain accounts and other books and records pertaining to administration of the terms and conditions of this Contract, including: annual financial statements for the relevant period, water supply data, project operation, maintenance and replacement logs, and project land and right-of-way use agreements; the water users' land-use (crop census), land-ownership, land-leasing and water-use data; and other matters that the United States may require. Reports thereon shall be furnished to the United States in such form and on such date or dates as the United States may require. Subject to applicable Federal laws and regulations, each party to this Contract shall have the right during office hours to examine and make copies of the other party's books and records relating to matters covered by this Contract.

ADMINISTRATION OF FEDERAL PROJECT LANDS

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

The District may, subject to the written approval of the United States, issue permits,

licenses, or similar land use documents only to the extent they do not grant an interest in Federal real property.

EQUAL EMPLOYMENT OPPORTUNITY

20. During the performance of this Contract, the District agrees, to the extent it is required to do so by federal law, that it will perform as follows:

- (a) The District will not discriminate against any employee or applicant for employment because of race, color, religion, sex, disability, or national origin. The District will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, disability, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The District agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the United States setting forth the provisions of this nondiscrimination clause.
- (b) The District will, in all solicitations or advertisements for employees placed by or on behalf of the District, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, disability, or national origin.
- (c) The District will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the United States, advising the labor union or workers representative of the District's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (d) The District will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(e) The District will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the Contracting Agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(f) In the event of the District's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the District may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965 or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(g) The District will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The District will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance: *Provided, however*, that in the event the District becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the District may request the United States to enter into such litigation to protect the interests of the United States.

COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

21. To the extent that the District is covered under such, the District shall comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), Section 504 of the Rehabilitation Act of 1973 (P.L. 93-112, as amended), the Age Discrimination Act of 1975

(42 U.S.C. 6101, *et seq.*), Title III of the Americans with Disabilities Act of 1990, and any other applicable civil rights laws, as well as with their respective implementing regulations and guidelines imposed by the U.S. Department of the Interior and/or Bureau of Reclamation. Exemptions provided to the District under these statutes, by virtue of its size and other characteristics, shall not be infringed by the provisions of this article. If the District becomes subject to these statutes in the future, then the provisions of this article shall apply.

These statutes require that no person in the United States shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving financial assistance from the Bureau of Reclamation on the grounds of race, color, national origin, disability, or age. By executing this Contract, the District agrees to immediately take any measures necessary to implement this obligation, including permitting officials of the United States to inspect premises, programs, and documents.

The District makes this agreement in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property discounts, or other Federal financial assistance extended after the date hereof to the District by the Bureau of Reclamation, including installment payments after such date on account of arrangements for Federal financial assistance which were approved before such date. The District recognizes and agrees that such Federal assistance will be extended in reliance on the representations and agreements made in this article and that the United States reserves the right to seek judicial enforcement thereof.

Complaints of discrimination against the District shall be investigated by the United States Office of Civil Rights.

CERTIFICATION OF NONSEGREGATED FACILITIES

22. The District hereby certifies that it does not maintain or provide for its employees any segregated facilities at any of its establishments and that it does not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The District agrees that a breach of this certification is a violation of the Equal Employment Opportunity clause in this Contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms,

restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color, or national origin, because of habit, local custom, disability, or otherwise. The District further agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) it will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Employment Opportunity clause; that it will retain such certifications in its files; and that it will forward the following notice to such proposed subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods):

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR
CERTIFICATIONS OF NONSEGREGATED FACILITIES

A Certification of Nonsegregated Facilities must be submitted prior to the award of a subcontract exceeding \$10,000 which is not exempt from the provisions of the Equal Employment Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually). Note: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION

23. When acquiring land or an interest in land and relocating persons or personal property in connection with the construction, operation, and maintenance of project facilities, the District shall comply with the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (84 Stat. 1894) and Department of Transportation regulations (49 CFR Part 24).

MEDIUM FOR TRANSMITTING PAYMENTS

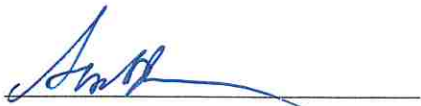
24. All payments from the District to the United States under this Contract shall be by the medium requested by the United States on or before the date payment is due. The required method of payment may include checks, wire transfers, or other types of payment specified by the United States.

CONTRACT DRAFTING CONSIDERATIONS

25. Articles 1 through 25 of this Contract have been drafted, negotiated, and reviewed by the parties hereto, each of whom is sophisticated in the matters to which this Contract pertains, and no one party shall be considered to have drafted the stated articles.

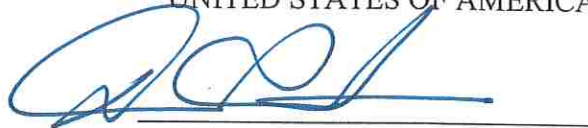
IN WITNESS WHEREOF, the parties hereto have executed this Contract the day and year first above written.

APPROVED

A blue ink signature, appearing to read "N. Gawain Snow", written over a horizontal line.

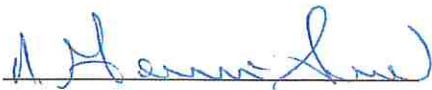
OFFICE OF THE INTERMOUNTAIN
REGIONAL SOLICITOR

UNITED STATES OF AMERICA

A blue ink signature, appearing to read "R. Todd Thacker", written over a horizontal line.

UPPER COLORADO 
REGIONAL DIRECTOR

ATTEST

A blue ink signature, appearing to read "N. Gawain Snow", written over a horizontal line.

N. GAWAIN SNOW

UINTAH WATER CONSERVANCY DISTRICT

A blue ink signature, appearing to read "R. Todd Thacker", written over a horizontal line.

R. TODD THACKER

EXHIBIT A

Irrigation Repayment Schedule					
Year	# of Payments	Annual Payment	Interest	CRSP Aid to Irrigation	Irrigation Repayment Principal
					\$3,424,200
2021	0	\$0	0	0	\$3,424,200
2022	0	\$0	0	0	\$3,424,200
2023	0	\$0	0	0	\$3,424,200
2024	0	\$0	0	0	\$3,424,200
2025	0	\$0	0	0	\$3,424,200
2026	0	\$0	0	0	\$3,424,200
2027	0	\$0	0	0	\$3,424,200
2028	0	\$0	0	0	\$3,424,200
2029	0	\$0	0	0	\$3,424,200
2030	0	\$0	0	0	\$3,424,200
2031	0	\$0	0	0	\$3,424,200
2032	0	\$0	0	0	\$3,424,200
2033	1	\$61,579	0	0	\$3,362,621
2034	2	\$61,579	0	0	\$3,301,042
2035	3	\$61,579	0	0	\$3,239,463
2036	4	\$61,579	0	0	\$3,177,884
2037	5	\$61,579	0	0	\$3,116,305
2038	6	\$61,579	0	0	\$3,054,726
2039	7	\$61,579	0	0	\$2,993,147
2040	8	\$61,579	0	0	\$2,931,568
2041	9	\$61,579	0	0	\$2,869,989
2042	10	\$61,579	0	0	\$2,808,411
2043	11	\$61,579	0	0	\$2,746,832
2044	12	\$61,579	0	0	\$2,685,253
2045	13	\$61,579	0	0	\$2,623,674
2046	14	\$61,579	0	0	\$2,562,095
2047	15	\$61,579	0	0	\$2,500,516
2048	16	\$61,579	0	0	\$2,438,937
2049	17	\$61,579	0	0	\$2,377,358
2050	18	\$61,579	0	0	\$2,315,779
2051	19	\$61,579	0	0	\$2,254,200
2052	20	\$61,579	0	0	\$2,192,621
2053	21	\$61,579	0	0	\$2,131,042
2054	22	\$61,579	0	0	\$2,069,463
2055	23	\$61,579	0	0	\$2,007,884
2056	24	\$61,579	0	0	\$1,946,305
2057	25	\$61,579	0	0	\$1,884,726
2058	26	\$61,579	0	0	\$1,823,147
2059	27	\$61,579	0	0	\$1,761,568
2060	28	\$61,579	0	0	\$1,699,989
2061	29	\$61,579	0	0	\$1,638,411
2062	30	\$61,579	0	0	\$1,576,832
2063	31	\$61,579	0	0	\$1,515,253
2064	32	\$61,579	0	0	\$1,453,674
2065	33	\$61,579	0	0	\$1,392,095
2066	34	\$61,579	0	0	\$1,330,516
2067	35	\$61,579	0	0	\$1,268,937
2068	36	\$61,579	0	0	\$1,207,358
2069	37	\$61,579	0	0	\$1,145,779
2070	38	\$61,579	0	\$1,084,200	\$1,084,200
Total		\$2,340,000		\$1,084,200	

EXHIBIT B

M&I Repayment Schedule					
Year	# of Payments	Payment	Interest	To Principal	M&I Repayment Principal
					\$3,160,800
2021	1	\$117,079	\$86,922	\$30,157	\$3,130,643
2022	2	\$117,079	\$86,093	\$30,986	\$3,099,657
2023	3	\$117,079	\$85,241	\$31,838	\$3,067,818
2024	4	\$117,079	\$84,365	\$32,714	\$3,035,104
2025	5	\$117,079	\$83,465	\$33,614	\$3,001,491
2026	6	\$117,079	\$82,541	\$34,538	\$2,966,953
2027	7	\$117,079	\$81,591	\$35,488	\$2,931,465
2028	8	\$117,079	\$80,615	\$36,464	\$2,895,002
2029	9	\$117,079	\$79,613	\$37,466	\$2,857,535
2030	10	\$117,079	\$78,582	\$38,497	\$2,819,039
2031	11	\$117,079	\$77,524	\$39,555	\$2,779,483
2032	12	\$117,079	\$76,436	\$40,643	\$2,738,840
2033	13	\$117,079	\$75,318	\$41,761	\$2,697,079
2034	14	\$117,079	\$74,170	\$42,909	\$2,654,170
2035	15	\$117,079	\$72,990	\$44,089	\$2,610,081
2036	16	\$117,079	\$71,777	\$45,302	\$2,564,779
2037	17	\$117,079	\$70,531	\$46,548	\$2,518,231
2038	18	\$117,079	\$69,251	\$47,828	\$2,470,404
2039	19	\$117,079	\$67,936	\$49,143	\$2,421,261
2040	20	\$117,079	\$66,585	\$50,494	\$2,370,767
2041	21	\$117,079	\$65,196	\$51,883	\$2,318,884
2042	22	\$117,079	\$63,769	\$53,310	\$2,265,574
2043	23	\$117,079	\$62,303	\$54,776	\$2,210,799
2044	24	\$117,079	\$60,797	\$56,282	\$2,154,517
2045	25	\$117,079	\$59,249	\$57,830	\$2,096,687
2046	26	\$117,079	\$57,659	\$59,420	\$2,037,267
2047	27	\$117,079	\$56,025	\$61,054	\$1,976,213
2048	28	\$117,079	\$54,346	\$62,733	\$1,913,480
2049	29	\$117,079	\$52,621	\$64,458	\$1,849,021
2050	30	\$117,079	\$50,848	\$66,231	\$1,782,791
2051	31	\$117,079	\$49,027	\$68,052	\$1,714,738
2052	32	\$117,079	\$47,155	\$69,924	\$1,644,815
2053	33	\$117,079	\$45,232	\$71,847	\$1,572,968
2054	34	\$117,079	\$43,257	\$73,822	\$1,499,146
2055	35	\$117,079	\$41,227	\$75,852	\$1,423,293
2056	36	\$117,079	\$39,141	\$77,938	\$1,345,355
2057	37	\$117,079	\$36,997	\$80,082	\$1,265,273
2058	38	\$117,079	\$34,795	\$82,284	\$1,182,989
2059	39	\$117,079	\$32,532	\$84,547	\$1,098,443
2060	40	\$117,079	\$30,207	\$86,872	\$1,011,571
2061	41	\$117,079	\$27,818	\$89,261	\$922,310
2062	42	\$117,079	\$25,364	\$91,715	\$830,595
2063	43	\$117,079	\$22,841	\$94,238	\$736,357
2064	44	\$117,079	\$20,250	\$96,829	\$639,528
2065	45	\$117,079	\$17,587	\$99,492	\$540,036
2066	46	\$117,079	\$14,851	\$102,228	\$437,808
2067	47	\$117,079	\$12,040	\$105,039	\$332,769
2068	48	\$117,079	\$9,151	\$107,928	\$224,841
2069	49	\$117,079	\$6,183	\$110,896	\$113,945
2070	50	\$117,079	\$3,133	\$113,945	\$0
Total		\$5,853,947		\$3,160,800	

EXHIBIT C

AF Irrigation	AF Converted	Year	# of Payments	Annual Payment	Interest	CRSP Aid to Irrigation	Principal	Remaining Value / AF	Transfer to M&I
13,267		2021	0	\$0	0	0	\$3,424,200	50	\$258
13,267		2022	0	\$0	0	0	0	49	\$258
13,267		2023	0	\$0	0	0	0	48	\$258
13,267		2024	0	\$0	0	0	0	47	\$258
13,266	1	2025	0	\$0	0	0	0	46	\$258
13,266		2026	0	\$0	0	0	0	45	\$258
13,266		2027	0	\$0	0	0	0	44	\$258
13,266		2028	0	\$0	0	0	0	43	\$258
13,266		2029	0	\$0	0	0	0	42	\$258
13,266	1	2030	0	\$0	0	0	0	41	\$258
13,265		2031	0	\$0	0	0	0	40	\$258
13,265		2032	0	\$0	0	0	0	39	\$258
13,265		2033	1	\$61,570	0	0	0	38	\$253
13,265		2034	2	\$61,570	0	0	0	36	\$244
13,264	1	2035	3	\$61,570	0	0	0	35	\$240
13,264		2036	4	\$61,565	0	0	0	34	\$235
13,264		2037	5	\$61,565	0	0	0	33	\$230
13,264		2038	6	\$61,565	0	0	0	32	\$226
13,264		2039	7	\$61,565	0	0	0	31	\$221
13,263	1	2040	8	\$61,560	0	0	0	30	\$216
13,263		2041	9	\$61,560	0	0	0	29	\$212
13,263		2042	10	\$61,560	0	0	0	28	\$207
13,263		2043	11	\$61,560	0	0	0	27	\$202
13,263		2044	12	\$61,560	0	0	0	26	\$198
13,262	1	2045	13	\$61,556	0	0	0	25	\$193
13,262		2046	14	\$61,556	0	0	0	24	\$188
13,262		2047	15	\$61,556	0	0	0	23	\$184
13,262		2048	16	\$61,556	0	0	0	22	\$179
13,262		2049	17	\$61,556	0	0	0	21	\$175
13,261	1	2050	18	\$61,551	0	0	0	20	\$170
13,261		2051	19	\$61,551	0	0	0	19	\$165
13,261		2052	20	\$61,551	0	0	0	18	\$161
13,261		2053	21	\$61,551	0	0	0	17	\$156
13,261		2054	22	\$61,551	0	0	0	16	\$151
13,260	1	2055	23	\$61,546	0	0	0	15	\$147
13,260		2056	24	\$61,546	0	0	0	14	\$142
13,260		2057	25	\$61,546	0	0	0	13	\$137
13,260		2058	26	\$61,546	0	0	0	12	\$133
13,260		2059	27	\$61,546	0	0	0	11	\$128
13,259	1	2060	28	\$61,542	0	0	0	10	\$123
13,259		2061	29	\$61,542	0	0	0	9	\$119
13,259		2062	30	\$61,542	0	0	0	8	\$114
13,259		2063	31	\$61,542	0	0	0	7	\$110
13,259		2064	32	\$61,542	0	0	0	6	\$105
13,258	1	2065	33	\$61,542	0	0	0	5	\$100
13,258		2066	34	\$61,537	0	0	0	4	\$96
0	13,258	2067	35	\$61,537	0	0	0	3	\$91
0		2068	36	\$0	0	0	0	2	\$86
0		2069	37	\$0	0	0	0	1	\$82
0		2070	38	\$0	0	0	0		
Total				\$2,154,386			\$0		

Year	# of Payments	Interest	To Principal	Principal	Additional Principal	Total	M&I AF
2021	1	\$117,079	\$86,922	\$30,157	\$3,130,643	\$258	\$0
2022	2	\$117,079	\$86,093	\$30,986	\$3,099,657	\$258	\$0
2023	3	\$117,079	\$85,241	\$31,838	\$3,067,818	\$258	\$0
2024	4	\$117,079	\$84,365	\$32,714	\$3,035,104	\$258	\$0
2025	5	\$117,079	\$83,465	\$33,614	\$3,001,749	\$258	\$258
2026	6	\$117,089	\$82,548	\$34,541	\$2,967,208	\$258	\$0
2027	7	\$117,089	\$81,598	\$35,491	\$2,931,717	\$258	\$0
2028	8	\$117,089	\$80,622	\$36,467	\$2,895,251	\$258	\$0
2029	9	\$117,089	\$79,619	\$37,470	\$2,857,781	\$258	\$258
2030	10	\$117,100	\$78,589	\$38,500	\$2,819,539	\$258	\$0
2031	11	\$117,100	\$77,537	\$39,562	\$2,779,977	\$258	\$0
2032	12	\$117,100	\$76,449	\$40,650	\$2,739,326	\$258	\$0
2033	13	\$117,100	\$75,331	\$41,768	\$2,697,558	\$253	\$0
2034	14	\$117,100	\$74,183	\$42,917	\$2,654,641	\$249	\$0
2035	15	\$117,100	\$73,003	\$44,097	\$2,610,788	\$244	\$244
2036	16	\$117,111	\$71,797	\$45,314	\$2,565,474	\$240	\$0
2037	17	\$117,111	\$70,551	\$46,560	\$2,518,914	\$235	\$0
2038	18	\$117,111	\$69,270	\$47,841	\$2,471,074	\$230	\$0
2039	19	\$117,111	\$67,955	\$49,156	\$2,421,917	\$226	\$0
2040	20	\$117,111	\$66,603	\$50,508	\$2,371,650	\$221	\$221
2041	21	\$117,122	\$65,220	\$51,902	\$2,319,729	\$216	\$0
2042	22	\$117,122	\$63,793	\$53,329	\$2,266,400	\$212	\$0
2043	23	\$117,122	\$62,326	\$54,796	\$2,211,604	\$207	\$0
2044	24	\$117,122	\$60,819	\$56,302	\$2,155,301	\$202	\$0
2045	25	\$117,122	\$59,271	\$57,851	\$2,097,648	\$198	\$198
2046	26	\$117,133	\$57,685	\$59,447	\$2,038,201	\$193	\$0
2047	27	\$117,133	\$56,051	\$61,082	\$1,977,119	\$188	\$0
2048	28	\$117,133	\$54,371	\$62,762	\$1,914,357	\$184	\$0
2049	29	\$117,133	\$52,645	\$64,488	\$1,849,869	\$179	\$0
2050	30	\$117,133	\$50,871	\$66,261	\$1,783,783	\$175	\$0
2051	31	\$117,144	\$49,054	\$68,090	\$1,715,693	\$170	\$0
2052	32	\$117,144	\$47,182	\$69,963	\$1,645,730	\$165	\$0
2053	33	\$117,144	\$45,258	\$71,887	\$1,573,844	\$161	\$0
2054	34	\$117,144	\$43,281	\$73,863	\$1,499,980	\$156	\$0
2055	35	\$117,144	\$41,249	\$75,895	\$1,424,237	\$151	\$151
2056	36	\$117,157	\$39,167	\$77,990	\$1,346,247	\$147	\$0
2057	37	\$117,157	\$37,022	\$80,135	\$1,266,112	\$142	\$0
2058	38	\$117,157	\$34,818	\$82,338	\$1,183,774	\$137	\$0
2059	39	\$117,157	\$32,554	\$84,603	\$1,099,171	\$133	\$0
2060	40	\$117,157	\$30,227	\$86,929	\$1,012,370	\$128	\$0
2061	41	\$117,171	\$27,840	\$89,331	\$923,038	\$123	\$0
2062	42	\$117,171	\$25,384	\$91,788	\$831,251	\$119	\$0
2063	43	\$117,171	\$22,859	\$94,312	\$736,939	\$114	\$0
2064	44	\$117,171	\$20,266	\$96,906	\$640,033	\$110	\$0
2065	45	\$117,171	\$17,601	\$99,570	\$540,567	\$105	\$105
2066	46	\$117,194	\$14,865	\$102,379	\$438,239	\$100	\$0
2067	47	\$117,194	\$12,052	\$105,143	\$333,172	\$96	\$1,268,076
2068	48	\$117,194	\$9,191	\$107,953	\$225,221	\$91	\$0
2069	49	\$563,344	\$29,751	\$533,593	\$548,267	\$86	\$0
2070	50	\$563,344	\$15,077	\$548,267	\$0	\$82	\$0
Total			\$7,194,944	\$4,430,614			

Irrigator Payments \$2,154,386
M&I Payments \$4,430,614
Aid to Irrigation \$0

Total \$6,585,000

Prior to initial payment in 2033, each AF converted will remove \$258.10 from the irrigation obligation and move to M&I Principal.
After 2033, the value of an AF of irrigation water will be \$258.10 - (\$4.64 * number of payments) = Y, which will be subtracted from irrigation and added to M&I.
M&I payment will be recalculated to add Y, with payment now based on remaining number of payments applied to current M&I principle + Y.
If M&I is paid out and conversion occurs, Y will need to be paid out over remaining years at the same interest rate as was previously applied.