Modification



Draft 2/04/92 4/20/92 4/22/92 5/05/92 5/08/92

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

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

1	THIS CONTRACT, made this day of 19, pursuant to
2	the Act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or
3	supplementary thereto, particularly the Safety of Dams Act of November 2,
4	1978 (92 Stat. 2471), as amended August 28, 1984 (98 Stat. 1481), between
5	the UNITED STATES OF AMERICA, hereinafter called the United States, acting
6	through the Regional Director, Upper Colorado Region, Bureau of
7	Reclamation, the duly authorized representative of the Secretary of the
8	Interior, and the UINTAH WATER CONSERVANCY DISTRICT, a water conservancy
9	district organized and existing pursuant to the laws of the State of Utah,
10	hereinafter called the Contractor, with its principal office at Vernal,
11	Uintah County, Utah.
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13	WITNESSETH, that:
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15	EXPLANATORY RECITALS
L6	
17	WHEREAS, Steinaker Dam was constructed between 1959 and 1962 by
L 8	the United States as part of the Vernal Unit, Central Utah Project, to
19	provide storage for irrigation water, municipal and industrial water, fish
20	and wildlife enhancement, and recreation; and

1	WHEREAS, investigations and studies by the Bureau of Reclamation						
2	have found Steinaker Dam to be susceptible to failure in the event of a						
3	severe earthquake; and						
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5	WHEREAS, failure of Steinaker Dam would cause extensive flood						
6	damage downstream, potential loss of life, and would reduce the water						
7	supply available for project purposes; and						
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9	WHEREAS, no operating restrictions are anticipated if						
10	modification work is accomplished in the fall, after the irrigation season						
11	and prior to the water runoff season, of the following year; and						
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13	WHEREAS, the Safety of Dams Act authorizes the Secretary of the						
14	Interior, through the Bureau of Reclamation, to perform the corrective						
15	work, provided that 15 percent of the costs incurred to correct the safety						
16	problems are allocated among the authorized purposes of the Vernal Unit						
17	and the reimbursable portion repaid.						
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19	NOW, THEREFORE, in consideration of the mutual covenants and						
20	stipulations herein contained, it is mutually agreed between the parties						
21	hereto as follows:						
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23	<u>DEFINITIONS</u>						
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25	1. When used herein the term:						
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27	(a) "Secretary" or "Contracting Officer" means the						
28	Secretary of the Interior or his duly authorized representative.						
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30	(b) "Contractor" means the Uintah Water Conservancy						
31	District.						

1	(C) "Year" means calendar year.
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3	(d) "Steinaker Dam" means Steinaker Dam, constructed by
4	the United States as part of the Vernal Unit, Central Utah Project.
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6	(e) "Modification Work" means the corrective work to be
7	performed by the United States on Steinaker Dam, as set forth in Article
8	2 herein, subject to such modifications as may be agreed upon by the
9	parties herein.
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11	(f) "Safety of Dams Act" means the Act of Congress
12	approved November 2, 1978 (92 Stat. 2471), and entitled the "Reclamation
13	Safety of Dams Act of 1978," as amended by the Act of Congress approved
14	August 28, 1984 (98 Stat. 1481), and entitled the "Reclamation Safety of
15	Dams Act Amendments of 1984."
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17	(g) "Reimbursable Costs" means the reimbursable portion of
18	the 15 percent of the costs incurred by the United States pursuant to the
19	Safety of Dams Act for the Modification Work.
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21	WORK TO BE PERFORMED
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23	2. The Modification Work contemplated on Steinaker Dam will
24	consist of removal of Zone 3 embankment material and the surficial clay,
25	densification using a large weight dropped in a grid pattern, and
26	placement of stability berms over the densified material. The dynamic
27	compaction zone is estimated to be 450-feet long by 180-feet wide and 25-
28	feet deep. The stability berm will be approximately 450 feet by 280 feet
29	by 65 feet. Material for construction is anticipated to come from borrow
30	areas presently owned by the United States which were acquired for the
31	construction of the existing Vernal Unit Project features. A grouting

1	program will fill potential cavities in the embankment and will reduce the
1000	
2	risk of failure of the existing grout curtain.
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4	SCHEDULING OF MODIFICATION WORK
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6	3. Modification Work is scheduled to begin in the fall of 1992
7	and completed in the spring of 1994. All work schedules are contingent on
8	approval of the request for funding and appropriation of funds.
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10	COSTS OF THE UNITED STATES
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12	4. Upon execution of this contract, all costs incurred by the
13	United States for surveys, preparation and/or review of designs,
14	negotiations with the Contractor and administration of this contract,
15	including the actual costs allocable to the inspection and approval of
16	work performed, shall become part of the total project costs and
L7	considered a component of the amount expended as part of the Modification
L 8	Work.
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20	RIGHTS-OF-WAY
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22	5. The United States agrees to secure any additional rights
23	any additional lights-
	of-way necessary to start and complete the Modification Work. If
24	necessary, the United States will exercise its legal authority to acquire
25	needed rights-of-way. Costs for such rights-of-way will become part of
26	the cost of the Modification Work

1 TERMS OF REPAYMENT 2 3 (a) The total estimated cost of the Modification Work is 4 \$12,500,000. Upon completion of the Modification Work, the 15 percent of 5 the cost incurred for the Modification Work, will be allocated 90.78 6 percent to irrigation, 6.56 percent to municipal and industrial, and 2.66 7 percent to fish and wildlife. 8 9 (b) Reimbursable costs allocated to irrigation are 10 estimated to be \$1,702,125. Based on the irrigators' repayment ability, 11 the Contractor will repay \$840,000 in annual payments of \$30,000 per year. 12 No interest shall be charged on irrigation Reimbursable Costs. The annual 13 payments will begin in the year 2016 after the original project is repaid 14 under the terms of Contract No. 14-06-400-778 between the Contractor and the United States. The annual payments will continue through the year 15 16 The balance of the Reimbursable Costs allocated to irrigation, 2043. 17 estimated to be \$862,125, will be repaid from the Colorado River Storage 18 Project power revenues. A payout schedule is attached as "Exhibit A." 19 20 (c) The Contractor will pay the Reimbursable Costs 21 allocated to municipal and industrial, not to exceed \$123,000, pursuant to 22 Article 7 herein. 23 24 The costs assigned to the purpose of fish and wildlife 25 enhancement are considered a nonreimbursable allocation.

PROVISIONS OF FUNDS BY THE UNITED STATES AND THE CONTRACTOR

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7. (a) The United States will provide funds, estimated to be \$12,377,000 of the total \$12,500,000 cost, based on appropriations from Congress, for the Modification Work. This advance will be the full project cost except those funds determined to be Reimbursable Costs allocated to municipal and industrial water pursuant to Article 6(a) herein. The Contractor will advance the funds, estimated to be \$123,000, for the Modification Work determined to be Reimbursable Costs allocated to municipal and industrial water pursuant to Article 6(a) herein.

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(b) The Contractor will advance the portion of the Reimbursable Costs allocated to municipal and industrial water according to the percentage of the total project costs scheduled for construction of the Modification Work in each of the United States fiscal years, October 1 through September 30, that are involved in the construction program. The first advance shall be made to the United States immediately upon the execution of this contract in the amount of \$21,300, representing 17.3 percent of the total advance required and will be the Contractor's proportionate share of the project cost scheduled through September 30, 1992. By September 10, 1992, the Contractor shall advance to the United States, their proportionate share of the project costs scheduled for the fiscal year, October 1, 1992, through September 30, 1993, the estimated amount of \$64,700, representing 52.6 percent of the total advance required by the Contractor. By September 10, 1993, the Contractor shall advance to the United States, the proportionate share of the project cost scheduled for the period of October 1, 1993, through June 30, 1994, the estimated amount of \$37,000, representing 30.1 percent of the total advance required by the Contractor. If any additional advances are required in an earlier period than scheduled above, due to accelerated construction, the Contractor will advance those funds 30 days after official notice from the

1	United States. Such adjustments will reduce the amount of the advances in
2	the subsequent periods.
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4	(c) Immediately upon receipt of the advance of funds from
5	the Contractor, the United States shall deposit the amount advanced into
6	a trust account in the United States Treasury. Thereafter , the United
7	States may draw upon said special trust account from time to time to
8	finance the performance of the Modification Work according to the approved
9	work schedule.
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11	(d) If there is a balance remaining in the special trust
12	account after completion of construction, it will be returned to the
13	Contractor.
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15	PRIOR CONTRACTS
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17	8. The rights and obligations created herein do not supersede
18	or affect the rights and obligations under any prior contracts between the
19	United States and the Contractor.
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21	OPERATION AND MAINTENANCE OF PROJECT WORKS
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23	9. The operation and maintenance of Steinaker Dam will
24	continue as agreed in prior contracts and agreements, as amended or
25	supplemented. Any additional operation, maintenance, or replacement
26	resulting from the inclusion of the Modification Work will be incorporated
27	into the regular assigned responsibilities as presently established.

CHARGES FOR DELINQUENT PAYMENTS

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(a) The Contractor 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 Contractor shall pay an interest charge for each day the payment is delinquent beyond the due date. When a payment becomes 60 days delinquent, the Contractor 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 Contractor shall pay an additional penalty charge of 6 percent per year for each day the payment is delinquent beyond the due Further, the Contractor shall pay any fees incurred for debt collection services associated with a delinquent payment.

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(b) 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.

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(c) 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.

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CONFIRMATION OF CONTRACT

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The Contractor, after the execution of this contract, shall promptly seek to secure a decree of a court of competent jurisdiction of the State of Utah confirming the execution of this contract. The Contractor shall furnish the United States a certified copy of the final decree, the validation proceedings, and all pertinent supporting records of the court approving and confirming this contract, and decreeing and adjudging it to be lawful, valid, and binding on the Contractor. This contract shall not be binding on the United States until such final decree has been secured.

NOTICES

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12. Any notice, demand, or request authorized or required by this contract shall be deemed to have been given, on behalf of the Contractor, 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, 84117, and on behalf of the United States when mailed, postage prepaid, or delivered to the Uintah Water Conservancy District, 78 West 3325 North Vernal, Utah, 84078. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this article for other notices.

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ATTEST:

Secretary

By:

CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

13. 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 Contractor 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

14. No Member of or Delegate to Congress, Resident Commissioner or official of the contractor shall benefit from this contract other than as a water user or landowner in the same manner as other water users or landowners.

ASSIGNMENT LIMITED -- SUCCESSORS AND ASSIGNS OBLIGATED

15. The provisions of this contract shall apply to and bind the successors and assigns of the parties hereto, but no assignment or transfer of this contract or any right or interest therein shall be valid until approved in writing by the Contracting Officer.

BOOKS, RECORDS, AND REPORTS

16. The Contractor shall establish and maintain accounts and other books and records pertaining to administration of the terms and conditions of this contract, including: the Contractor's financial transactions, 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 Contracting Officer may require. Reports thereon shall be furnished to the Contracting Officer in such form and on such date or dates as the Contracting Officer 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.

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

THE UNITED STATES OF AMERICA

	By: Regional Director Upper Colorado Region Bureau of Reclamation
	UINTAH WATER CONSERVANCY DISTRICT
>	By: President

"EXHIBIT A"

VERNAL UNIT PROJECT, UTAH STEINAKER DAM-SAFETY OF DAMS

REPAYMENT SCHEDULE

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Section 2011 (1997)		IRRIGATI	ON	
PAYMENT		WATER		REMAINING
PERIOD	YEAR	DISTRICT	CRSP	BALANCE
0	1993	0	0	1,702,125
1	1994			1,702,125
<u> </u>		0	0	1,702,125
2	1995	0	0	1,702,125
3	1996	. 0	0	1,702,125
4	1997	0	0	1,702,125
5	1998	ŏ		1 702,125
5 6			0	1,702,125
0	1999	0	0	1,702,125
7	2000	0	0	1,702,125
8	2001	0	0	1,702,125
9	2002	Ō	ŏ	1,702,125
10				1,702,125
	2003	0	0	1,702,125
11	2004	0	0	1,702,125
12	2005	0	0	1,702,125
13	2006	0	0	1,702,125
14	2007	ŏ	ŏ	
15				1,702,125
	2008	0	0	1,702,125
16	2009	0	0	1,702,125
17	2010	0	0 .	1,702,125
18	2011	0	0	1,702,125
19	2012	o o	ŏ	1,702,125
20	2013			
		0	. 0	1,702,125
21	2014	0	. 0	1,702,125
22	2015	0	0	1,702,125
23	2016	30,000	0	1,672,125
24	2017	30,000	0	1,642,125
25	2018			1 612 125
		30,000	0	1,612,125
26	2019	30,000	0	1,582,125
27	2020	30,000	0	1,552,125
28	2021	30,000	0	1,522,125
29	2022	30,000	0	1,492,125
30	2023	30,000	ō	1,462,125
31				
	2024	30,000	0	1,432,125
32	2025	30,000	0	1,402,125
33	2026	30,000	0	1,372,125
34	2027	30,000	0	1,342,125
35	2028	30,000	0	1,312,125
36	2029	30,000	. 0	1,282,125
37 .	2030	30,000	0	1,252,125
38	2031	30,000	0	1,222,125
39	2032	30,000	0	1,192,125
40	2033	30,000	0	1,162,125
41	2034	30,000	ŏ	
			v v	1,132,125
42	2035	30,000	0	1,102,125
43	2036	30,00 0	. 0	1,072,125
44	2037	30,000	0	1,042,125
45	2038	30,000	Ó	1,012,125
46				
	2039	30,000	0	982,125
47	2040	30,000	0	952,125
48	2041	30,000	0	922,125
49	2042	30,000	0	892,125
50	2043	30,000	862,125	0
5.0		30,000	,	.
	MOMAT C	040 000	063 135	
	TOTALS	840,000	862,125	