



IN REPLY REFER TO:

United States Department of the Interior

OFFICE OF THE SECRETARY

Program Director
CUP Completion Act Office
302 East 1860 South
Provo, Utah 84606-7317



CA-1000
PRJ-28.00

MAR 15 2005

Mr. Rick Gold
Regional Director
Upper Colorado Region
U.S. Bureau of Reclamation
125 South State Street, Room 6107
Salt Lake City, UT 84138-1147

Subject: Fully Executed Warren Act Contract No. 04-WC-⁴⁰~~04~~-230, Dated March 15, 2005, Among the Central Utah Water Conservancy District, the Bureau of Reclamation, the South Utah Valley Municipal Water Association, and the U.S. Department of the Interior - Utah Lake System, Section 202(a)(1) of the Central Utah Project Completion Act (CUPCA)

Dear Mr. Gold:

Enclosed please find a duplicate original of the Warren Act Contract No. 04-WC-04-230, for the Utah Lake System, which has been fully executed. By copy of this letter, we are also transmitting a duplicate original of the contract to the Central Utah Water Conservancy District and the South Utah Valley Municipal Water Association.

On behalf of the Department of the Interior, I would like to express our appreciation to you and your staff for your cooperation and efforts which have resulted in the execution of this agreement that is associated with the Utah Lake System. If you have any questions regarding this matter or this agreement, please contact me at (801) 379-1103.

Sincerely,

RONALD JOHNSTON

Ronald Johnston
Program Manager

Enclosure

cc: ✓ Mr. Don A. Christiansen
General Manager, Central Utah
Water Conservancy District
355 West University Parkway
Orem, UT 84058

1.B.02.029.B0.613.
SUVMWA/USBR/DOI

Mr. Dale Wills
President, South Utah Valley
Municipal Water Association
P.O. Box 412
Spanish Fork City, UT 84660
(each w/encl)

- bc: Assistant Secretary - Water and Science, Washington, D.C., Attention: Mr. Jason Peltier
Office of the Solicitor, Intermountain Region, Salt Lake City, UT
Attention: Mr. Chris Rich and Ms. Susannah Thomas
(each w/encl)
Regional Director, Salt Lake City, UT, Attention: Mr. Brent Rhees
(w/original)
Area Manager, Provo, UT, Attention: Mr. Karl Stock
(w/encl)

CONTRACT AMONG
THE UNITED STATES OF AMERICA,
THE CENTRAL UTAH WATER CONSERVANCY DISTRICT,
AND THE SOUTH UTAH VALLEY MUNICIPAL WATER USERS ASSOCIATION
FOR CARRIAGE OF NON-PROJECT WATER IN CENTRAL UTAH PROJECT FACILITIES

THIS CONTRACT is made this 15th day of March, 2005, among the UNITED STATES OF AMERICA, represented by the Department of Interior, Central Utah Project Completion Act Office (“United States” or “DOI”); the CENTRAL UTAH WATER CONSERVANCY DISTRICT (“CUWCD”), a water conservancy district organized and existing under the laws of the State of Utah; and the SOUTH UTAH VALLEY MUNICIPAL WATER USERS ASSOCIATION (“SUVMWA”), an organization created under authority of The Interlocal Cooperation Act, Utah Code Ann. §11-13-1 *et. seq.*, comprised of several cities in south Utah County, all of which are political subdivisions of the State of Utah, all organized and existing under the laws of the State of Utah, all acting pursuant to the Act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, particularly the Act of February 21, 1911 (36 Stat. 925, 43 U.S.C. §523), as amended, as well as the rules and regulations promulgated by the Secretary of the Interior under Reclamation Law,

WITNESSETH THAT:

EXPLANATORY RECITALS

WHEREAS, the United States and CUWCD have investigated, planned, and propose to construct the Utah Lake Drainage Basin Water Delivery System (“ULS”) of the Bonneville Unit of the Central Utah Project, of which the Spanish Fork-Santaquin Pipeline (“SFS Pipeline”) and the Mapleton-Springville Lateral Pipeline (“MSL Pipeline”) are part, for the storage, diversion, and distribution of waters of the Colorado River and the Bonneville Basin drainage areas for municipal and industrial (“M&I”) use and other project purposes, and have complied with the National Environmental Policy Act of 1969; and

WHEREAS, the United States has made available to the CUWCD a newly established project municipal and industrial water supply of approximately 30,000 acre-feet for use in south Utah County, and the CUWCD has contracted with the United States for this water supply; and

WHEREAS, SUVMWA has petitioned the CUWCD for an allotment of 30,000 acre-feet of ULS water from the Bonneville Unit of the Central Utah Project (“ULS Water”); and

WHEREAS, in Repayment Contract No. 04-WC-40-120, (“Repayment Contract”), CUWCD agreed, among other things, to repay the reimbursable construction costs of the ULS to the United States and to operate and maintain the ULS; and

WHEREAS, during periods when the full capacity of the SFS and MSL Pipelines are not required for the conveyance of ULS Water, DOI is authorized, pursuant to the Act of February 21, 1911, as amended ("Warren Act"), to contract for the carriage of non-ULS Water in the SFS and MSL Pipelines; and

WHEREAS, two SUVMWA member cities, Springville City and Mapleton City, as shareholders in the Springville Irrigation District and Mapleton Irrigation District, are eligible to take delivery of their respective portions of an annual average of 8,831 acre feet of SVP water under the terms of contract No. WS-04-150; and

WHEREAS, SUVMWA has or may have in the future, a right to the use of up to 10,200 acre-feet of water from the Strawberry Valley Federal Reclamation Project ("SVP Water") that is appurtenant to lands within the boundaries SUVMWA, and desires to convey SVP Water through the SFS and MSL Pipelines to points of delivery within its service area.

NOW, THEREFORE, it is mutually agreed between the parties hereto as follows:

- I. Carriage of SVP Water in the SFS and the MSL Pipelines. If and when capacity not needed for the conveyance of ULS Water is available in the SFS and/or MSL Pipelines, SUVMWA shall be allowed to carry SVP Water in the SFS and MSL Pipelines, subject to the following conditions:
 - (a) Pursuant to Contract No. WS-04-150, the Springville Irrigation District and the Mapleton Irrigation District have a perpetual right to convey an average annual 8,831 acre feet of SVP Water, at a rate of flow no greater than 90 cfs, through the Springville-Mapleton Lateral Pipeline.
 - (b) SUVMWA, at its sole cost and expense, shall secure any permits from the State of Utah and others which may be required for the carriage of SVP Water through the SFS and/or MSL Pipelines, including filing and obtaining approval of any application relative thereto.
 - (c) Subject to the provisions of Article I (a), the carriage of SVP Water through the SFS and/or MSL Pipelines for SUVMWA is strictly on a space-available basis and carriage of ULS Water through the SFS and/or MSL Pipelines shall at all times take priority over carriage of SVP Water for SUVMWA.
 - (d) Any and all commitments and/or obligations that SUVMWA and/or its member cities have as shareholders in the Strawberry Water Users Association and/or other irrigation companies shall remain in force and are not altered in any way by this agreement. Any issues, problems, or necessary arrangements with the Strawberry Water Users Association and/or other irrigation companies regarding SUVMWA and/or its member cities' conveyance of SVP Water through the SFS and/or MSL Pipelines shall be the responsibility of SUVMWA and/or its member cities.

Payment of Carriage and Operation and Maintenance (“O&M”) Charges.

On January 15 of each year, CUWCD shall give written notification to DOI regarding the quantity of SVP Water conveyed under this contract during the previous water year (November 1 through October 31). Upon receipt of CUWCD’s notification, DOI will bill SUVMWA for the conveyance of said water, and SUVMWA will remit payment to DOI within 60 days of the receipt of said bill. The carriage charges for said conveyance will be \$7.62 per acre foot of SVP Water conveyed through the SFS Pipeline, and \$11.47 per acre foot of SVP Water conveyed through the MSL Pipeline. These payments shall be credited to the Upper Colorado River Basin Fund as provided in Section 5 of the Colorado River Storage Project Act of April 11, 1956 (70 Stat. 105).

In addition to the carriage charge described above, SUVMWA agrees to pay to the District a proportionate share of the annual OM&R costs required to operate and maintain the project works used in the delivery of SVP Water conveyed to SUVMWA under this Agreement.

- III. Term of Contract. This Contract shall become effective on the date of execution hereof and shall terminate upon mutual written consent of all of the parties hereto.
- IV. Protection of Water and Air Quality. Project facilities used to make available and deliver SVP Water to SUVMWA shall be operated and maintained in the most practical manner to maintain the quality of the water at the highest level possible as reasonably determined by DOI; *provided*, that DOI does not warrant the quality of the SVP Water delivered to SUVMWA and is under no obligation to furnish or construct water treatment facilities to maintain or improve the quality of SVP Water delivered to SUVMWA.

CUWCD shall comply with all applicable water and air pollution laws and regulations of the United States and the State of Utah, and shall obtain all required permits or licenses from the appropriate Federal, State, or local authorities necessary for the delivery of SVP Water by CUWCD to SUVMWA; and SUVMWA shall be responsible for compliance with all Federal water quality standards applicable to surface and subsurface drainage and/or discharges generated through the use of Federal or CUP facilities used for the delivery of SVP Water provided by SUVMWA within its water service area.

This article shall not affect or alter any legal obligations of DOI to provide drainage or other discharge services.

- V. Delinquent Payments. SUVMWA shall be subject to interest, administrative, and penalty charges on delinquent payments to the United States. If a payment is not received by the due date, SUVMWA shall pay an interest charge on the delinquent payment for each day the payment is delinquent beyond the due date. If a payment becomes 60 days delinquent, in addition to the interest charge, SUVMWA shall

pay an administrative charge to cover additional costs of billing and processing the delinquent payment. If a payment is delinquent 90 days or more, in addition to the interest and administrative charges, SUVMWA shall pay a penalty charge for each day the payment is delinquent beyond the due date, based on the remaining balance of the payment due at the rate of six percent per year. SUVMWA shall also pay any fees incurred for debt collection services associated with a delinquent payment. Delinquency in O&M payments to the CUWCD will be governed by the CUWCD's policies.

The interest charge rate shall be the greater of either 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. The interest charge rate will be determined as of the due date and remain fixed for the duration of the delinquent period.

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

- VI. Assignment Limited—Successors and Assigns Obligated. 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 by any party shall be valid until approved in writing by the other parties.
- VII. Officials Not to Benefit. No member of or delegate to Congress, resident commissioner, or official of SUVMWA or CUWCD shall benefit from this Contract other than as a water user or landowner in the same manner as other users or landowners.
- VIII. Medium For Transmitting Payments. All payments from SUVMWA to DOI under this contract shall be by the medium requested by DOI 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 Reclamation. Upon execution of the contract, SUVMWA shall furnish DOI with their respective taxpayer identification numbers ("TINs"). The purpose for requiring the TINs is for collecting and reporting any delinquent amounts arising out of SUVMWA's relationship with the DOI.
- IX. NEPA Compliance. Requirements of the National Environmental Policy Act ("NEPA") have been addressed in the Final Environmental Impact Statement for the Utah Lake Drainage Basin Water Delivery System ("ULS FEIS"). SUVMWA shall not take any action(s) under this contract which are not in conformance with the ULS FEIS, the 2004 Definite Plan Report, and DOI's Record of Decision without the express written approval of DOI.

X. Contract Drafting Considerations. Articles I through X 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 caused this Contract to be duly executed on the date first above written.

ATTEST:

SOUTH UTAH VALLEY MUNICIPAL
WATER USERS ASSOCIATION

By: Mary Lynn B. Jones
Title Secretary

Dale R. W. J.
Chair

ATTEST:

CENTRAL UTAH WATER
CONSERVANCY DISTRICT

By: Betty Seisland
Title ASST TO THE GENERAL MANAGER

Don A. Christiansen
Don A. Christiansen, General Manager

APPROVED:

DEPARTMENT OF THE INTERIOR

Christopher B. Beck
for Regional Solicitor

Ronald Johnston
Ronald Johnston, Program Director

CONCUR:

BUREAU OF RECLAMATION

Cornie L. Rupp
Rick Gold, Regional Director