

WATER SERVICE CONTRACT  
BETWEEN THE  
UNITED STATES DEPARTMENT OF THE INTERIOR  
AND THE  
CENTRAL UTAH WATER CONSERVANCY DISTRICT

THIS CONTRACT is made this 15<sup>th</sup> day of March, 2005, pursuant to the Act of June 17, 1902, as amended and supplemented, particularly Section 9(e) of the Reclamation Project Act of 1939, (53 Stat. 1187, August 4, 1939), hereinafter called the " Act", between the UNITED STATES OF AMERICA, hereinafter called the "United States", acting through the Secretary of the Interior, hereinafter called the "Secretary", and the CENTRAL UTAH WATER CONSERVANCY DISTRICT, a water conservancy district organized and existing pursuant to the laws of the State of Utah, and particularly the Water Conservancy Act, Utah Code Ann. 1990, Section 17-A-2-1401 et seq., as amended, hereinafter called "CUWCD", with its principal place of business and office at Orem, Utah County, Utah.

WITNESSETH, That:

WHEREAS, the United States and CUWCD have investigated, planned, and propose to construct the Utah Lake Drainage Basin Water Delivery System of the Bonneville Unit of the Central Utah Project (ULS) for the storage, diversion, and distribution of project water from the Colorado River and the Bonneville Basin drainage areas for municipal and industrial (M&I) use and other project purposes, in accordance with the 2004 Supplement to the 1988 Definite Plan Report (DPR), and the Utah Lake Drainage Basin Water Delivery System Final Environmental Impact

Statement (FEIS); and

WHEREAS, The United States and CUWCD entered into Repayment Contract No. 04-WC-40-120 (Repayment Contract) which, among other things, established CUWCD's obligation to repay certain construction costs of the ULS allocated to M&I water supply; and

WHEREAS, up to 20,000 acre-feet of ULS water is available annually for temporary supplemental irrigation use prior to the completion of the ULS facilities and its utilization for M&I purposes, and such temporary supplemental irrigation use is contemplated in the DPR and the FEIS; and

WHEREAS, Section 9(e) of the Act authorizes the Secretary to enter into contracts to furnish water for irrigation purposes at such rates and for such time periods as the Secretary deems appropriate;

NOW, THEREFORE, the parties hereto agree as follows:

#### 1. IRRIGATION WATER AVAILABILITY, CHARGES, AND PAYMENTS

(a). The United States hereby makes ULS water available to the CUWCD for temporary supplemental irrigation use in south Utah County during the years and in the amounts specified in the schedule attached as Exhibit A. In accordance with Section 9(e) of the Act, CUWCD agrees to pay in advance to the United States \$5.60 annually per acre-foot of ULS water supplied for supplemental irrigation use under this Contract. Such annual payment(s) will be made by CUWCD on or before April 1 of each year in the amount shown on Exhibit A.

(b). Irrigation Water Charge Payments made pursuant to this Contract shall be credited to the Upper Colorado River Basin Fund and applied toward those Bonneville Unit construction costs allocated to the irrigation supply, pursuant to Section 5 of the Colorado River Storage Project Act of 1956 (70 Stat.105).

(c). CUWCD shall assess the users of the temporary supplemental irrigation water provided for under this Contract an amount sufficient to recover the charges provided for in paragraph 1a. above, as well as an appropriate share of CUWCD's costs of operation and maintenance associated with the delivery of such water.

(d). It is understood that the ULS water supply made available pursuant to paragraph 1(a). herein is subject to shortages due to runoff conditions which are beyond the control of the United States and the CUWCD, even though the United States and/or the CUWCD's Board of Trustees would be required to impose such shortages. If a reduction in water supply occurs in any year, the annual payment for that year in the amount specified in Exhibit A will be reduced by the amount of the shortage imposed.

2. CONTRACT TERMS

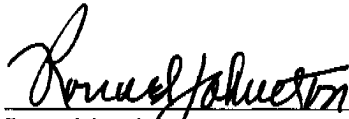
(a). This Contract is supplemental to the Repayment Contract, particularly to Article VIII of that contract. Articles XII through XXX of the Repayment Contract are by this reference incorporated into this Contract and made a part hereof. ULS water used temporarily for irrigation purposes under this Contract shall not be subject to the water conservation and recycling requirements contained in Article X of the Repayment Contract.

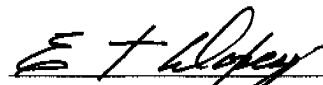
(b). The term of this contract shall be from the date of execution through December 31, 2030.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be duly executed as of the day and year first above written.

**UNITED STATES OF AMERICA**

**CENTRAL UTAH WATER  
CONSERVANCY DISTRICT**


  
\_\_\_\_\_  
Ronald Johnston, Program Director

  
\_\_\_\_\_  
E. Tim Doxey, President

APPROVED:

ATTEST:

  
\_\_\_\_\_  
Christopher B. Rich  
Regional Solicitor

  
\_\_\_\_\_  
Don A. Christiansen, Secretary

**EXHIBIT A**

<b>Year Number</b>	<b>Calendar Year</b>	<b>Irrigation Delivery (acre-feet)</b>	<b>Payment</b>
1	2005	20,000	\$112,000
2	2006	20,000	\$112,000
3	2007	20,000	\$112,000
4	2008	20,000	\$112,000
5	2009	20,000	\$112,000
6	2010	20,000	\$112,000
7	2011	20,000	\$112,000
8	2012	20,000	\$112,000
9	2013	20,000	\$112,000
10	2014	20,000	\$112,000
11	2015	20,000	\$112,000
12	2016	20,000	\$112,000
13	2017	20,000	\$112,000
14	2018	20,000	\$112,000
15	2019	20,000	\$112,000
16	2020	20,000	\$112,000
17	2021	18,000	\$100,800
18	2022	16,000	\$89,600
19	2023	14,000	\$78,400
20	2024	12,000	\$67,200
21	2025	10,000	\$56,000
22	2026	8,000	\$44,800
23	2027	6,000	\$33,600
24	2028	4,000	\$22,400
25	2029	2,000	\$11,200
26	2030	0	0
Total			\$2,296,000