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SAN JUAN-CHAMA PROJECT  
NEW MEXICO

**DRAFT REPAYMENT CONTRACT**

Between the

UNITED STATES OF AMERICA  
DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION

and the

EL PRADO WATER AND SANITATION DISTRICT

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SAN JUAN-CHAMA PROJECT  
NEW MEXICO

**DRAFT REPAYMENT CONTRACT**

Between the

UNITED STATES OF AMERICA  
DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION

and the

EL PRADO WATER AND SANITATION DISTRICT

THIS CONTRACT, made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

(Contract), between the UNITED STATES OF AMERICA (United States), acting through the Secretary of the Interior, Bureau of Reclamation, and pursuant to the Federal Reclamation Laws, including the Act of June 13, 1962 (76 Stat. 96), the Act of April 11, 1956 (70 Stat. 105), the Act of August 4, 1939 (53 Stat. 1187) (1939 Act), and particularly the Settlement Act of 2010 (Title V of the Claims Resolution Act of 2010, P.L. 111-291- December 8, 2010), and the El Prado Water and Sanitation District (EPWSD).

WITNESSETH THAT:

The parties for and in consideration of the mutual and dependent covenants herein contained agree as follows:

1 DEFINITIONS

2 1. The following terms, when used herein, unless otherwise distinctly  
3 expressed or manifestly incompatible with the intent hereof, shall have the meaning  
4 specified:

5 (a) SECRETARY or CONTRACTING OFFICER - shall mean the  
6 Secretary of the United States Department of the Interior or his duly authorized  
7 representative who is, as of the date of execution of this Contract on behalf of the United  
8 States, the Regional Director, Upper Colorado Region, Bureau of Reclamation.

9 (b) EPWSD – shall mean the El Prado Water and Sanitation District, a  
10 political subdivision of the State of New Mexico.

11 (c) FEDERAL RECLAMATION LAWS - shall mean the Act of June 17,  
12 1902 (32 Stat. 388), and all acts amendatory thereof or supplementary thereto.

13 (d) PROJECT - shall mean the San Juan-Chama Project, Colorado-New  
14 Mexico, authorized by Section 8 of the Act of June 13, 1962 (76 Stat. 96 and 97), and the  
15 Act of April 11, 1956 (70 Stat. 105).

16 (e) RESERVOIR STORAGE COMPLEX - shall mean all features, lands,  
17 and rights-of-way of the Project directly associated with the initial collection and storage  
18 of Project water and includes all works from enlargement of the outlet of the existing El  
19 Vado Dam upstream to and including and connecting the three diversion dams on the Rio  
20 Blanco and the Little Navajo and Navajo Rivers.

21 (f) PROJECT WORKS - shall mean all Project works or facilities  
22 constructed, including diversion works, reservoirs, dams, pipelines, conduits, and outlet  
23 works together with land and rights-of-way for such works.

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(g) PROJECT WATER - shall mean water available for use through the Project Works.

(h) WATER SUPPLY COSTS - shall mean that portion of Project costs payable to the United States for the water allocated to the EPWSD from the Project.

(i) FISCAL YEAR - shall mean the period October 1 through the next following September 30.

(j) SETTLEMENT ACT- shall mean the Taos Pueblo Indian Water Rights Settlement Act of 2010 (Title V of the Claims Resolution Act of 2010, P.L.111-291, December 8, 2010).

CONDITIONS

2. This contract will give rise to rights and obligations on the part of the EPWSD and the United States, and will become enforceable upon execution by the Secretary of the United States Department of the Interior or his duly authorized representative. Section 508(b)(2) of the Taos Pueblo Indian Water Rights Settlement Act provides that if the conditions precedent set forth in Section 509(f)(2) of said Act have not been fulfilled by the settlement expiration date of March 31, 2017 set forth in Section 509(h) of the Settlement Act, this contract shall expire on that date.

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WATER DELIVERY PROVISIONS

3. (a) The United States agrees to deliver, or make available for delivery, to the EPWSD 40 acre-feet per year from the San Juan-Chama Project, in accordance with the provisions of this contract. The point of delivery for San Juan-Chama Project water shall be the existing outlet works at Heron Dam.

(b) To the extent that delivery of water is made through Project works, the EPWSD will reimburse for this service in accordance with the provisions of Sections 5 and 6 of this contract.

(c)

(d) Separate contracts for additional water, whether for temporary or permanent use, as available, may be negotiated by the EPWSD with the Bureau of Reclamation in the future, but they do not constitute any part of the consideration for this contract.

(e) The EPWSD shall have no holdover storage rights in Heron Reservoir from year to year. Any water subject to delivery hereunder not called for by the end of each calendar year shall become integrated with the water supply for all purposes of the reservoir at that time.

(f)

TRANSPORTATION LOSSES

1           4.       Transportation of water from Heron Dam and Reservoir or other points of  
2 delivery agreed to by both parties shall be the sole responsibility of the EPWSD, so that  
3 no conveyance losses, including channel losses, shall be borne by the United States.

4                           CONSTRUCTION CHARGE OBLIGATION AND REPAYMENT

5           5.       (a) The EPWSD's proportionate share of the investment costs, including  
6 interest during construction, incurred by the United States in constructing the Reservoir  
7 Storage Complex, and allocated to the EPWSD's Project water supply, is \$29,171. The  
8 investment costs allocated to the EPWSD's water supply includes construction costs of  
9 \$26,058 based upon the March 2001 Final Cost Allocation prepared by the Bureau of  
10 Reclamation, plus interest during construction of \$3,113 calculated by the Upper  
11 Colorado Region Financial Group. The interest rate established for repayment of  
12 reimbursable costs of interest-bearing components of the Project is 3.046 percent per  
13 annum.

14                   (b) In consideration of the water supply herein contracted for, the  
15 EPWSD agrees to pay to the United States its pro rata share of the Reservoir Storage  
16 Complex investment costs of \$29,171. The EPWSD's water supply investment costs, as  
17 provided herein, shall be paid in forty (40) annual installments of \$1,234 per year, as  
18 shown in Exhibit A, based on an annuity due formula and a Project interest rate of 3.046  
19 percent. The first such installment will be due on December 31 of the year in which the  
20 contract has been fully executed. Subsequent annual installments shall become due on  
21 December 31 of each succeeding calendar year throughout the repayment period.

22                   (c) The EPWSD may make advance payments on any annual installment  
23 as set forth in paragraph (b) above or prepay any amount of the remaining balance,

1 whereupon the schedule of future payments will be adjusted and interest components  
2 determined by unamortized construction costs shall be reduced accordingly.

3

4 OPERATION, MAINTENANCE, AND REPLACEMENT COSTS

5 6. (a) The United States shall be responsible for the operation, maintenance,  
6 and replacement (OM&R) of the Reservoir Storage Complex and related facilities. The  
7 EPWSD's annual reimbursable OM&R costs shall be 0.042 percent of the total OM&R  
8 costs of the Project (40 divided by 96,200). Notice of billings for the next Fiscal Year's  
9 reimbursable OM&R costs will be issued to the EPWSD on or before May 1 of each  
10 calendar year, with the first such notice to be issued immediately following the execution  
11 of this Contract. In the event the first notice shall be for costs of service of less than a  
12 full Fiscal Year, such costs shall be pro rated for the period covered. Each notice shall  
13 show an itemization of the estimated reimbursable OM&R costs of the Reservoir Storage  
14 Complex, excluding the OM&R cost of El Vado Dam and Reservoir, with the exception  
15 of 27 percent of any replacement costs of the outlet works of said El Vado Dam. The  
16 EPWSD shall advance its share of the OM&R costs for each Fiscal Year as follows:

17 (1) One-fourth on or before September 30 of the Fiscal Year  
18 preceding the applicable Fiscal Year.

19 (2) One-fourth on or before December 31 of the applicable Fiscal  
20 Year.

21 (3) One-fourth on or before March 10 of the applicable Fiscal  
22 Year.

23 (4) One-fourth on or before May 10 of the applicable Fiscal year.

1 (b) In the event the OM&R cost estimate falls short of the actual costs in any period, or  
2 whenever it is anticipated by that Contracting Officer that a deficit will occur during the  
3 Fiscal year, supplemental notices requesting additional funds may be issued by the  
4 Contracting Officer. Funds not spent during one Fiscal Year will be carried over for use  
5 during the next Fiscal year with funds required for that Fiscal Year being reduced  
6 accordingly, and an itemized statement of actual costs incurred during the Fiscal Year  
7 shall be furnished to the EPWSD.

8 (c) The EPWSD is not obligated to pay any portion of the annual OM&R  
9 costs allocated to the fish and wildlife function. Those OM&R costs attributed to the fish  
10 and wildlife function are 9.49 percent of the annual OM&R costs of the Reservoir  
11 Storage Complex, excluding El Vado Dam and Reservoir, based on the March 2001 Final  
12 Cost Allocation.

13

14 WATER RIGHTS - WATER SUPPLY GENERAL

15 7. (a) Water Shortages - On account of drought or other causes, there may  
16 occur at times during any calendar year a shortage in the quantity of water available from  
17 the Reservoir Storage Complex for use by the EPWSD pursuant to this Contract. In no  
18 event shall any liability accrue against the United States or any of its officers or  
19 employees for any damage, direct or indirect, arising out of any such shortage.

20 (b) Right to Allocate - The EPWSD and its agents and assigns shall have  
21 the exclusive right to allocate, use, and dispose of that share of the Project Water supply  
22 available and allocated to them under this Contract, except as provided for in Section 8.  
23 Water may be used or disposed of for any purpose desired by the EPWSD subject to the

1 approval of the Contracting Officer, and in compliance with applicable state and federal  
2 law. Such use or disposal may be by diverting and applying such water directly from the  
3 Rio Grande stream system, by diverting and applying underground water and utilizing  
4 Project Water to offset the adverse effects of such underground water withdrawals  
5 heretofore or hereafter made from the Rio Grande stream system, or otherwise as the  
6 EPWSD may desire.

7 (c) Annual Water Carryover Prohibited - Rights to release of Project  
8 Water allocated to the EPWSD by this Contract shall be allowed on a calendar year basis,  
9 and no credits covering any unreleased water shall be allowed to carry over to any  
10 subsequent calendar year, unless otherwise agreed to in writing by both parties.

11 (d) Return Flow - The parties hereto neither abandon nor relinquish any  
12 of the seepage or return flow water attributable to the use of the Project Water supply.

13 (e) Other Uses - The Project is authorized for furnishing water for  
14 irrigation and municipal and industrial uses, for providing recreation and fish and wildlife  
15 benefits, and for other beneficial purposes.

16 (f) Use and Allotment of Project Water - The Project is designed to  
17 furnish an estimated firm yield from storage for Project use of approximately 96,200  
18 acre-feet of water annually. Of this yield, 40 acre-feet shall be available annually to the  
19 EPWSD for use under this Contract. The Contracting Officer has the authority and  
20 responsibility for water measurement as set forth in the Accounting of Water report, San  
21 Juan-Chama Project, dated February 1963. During periods of scarcity when the actual  
22 available water supply may be less than the estimated firm yield, the EPWSD shall share  
23 in the available water supply in the ratio that the above allocation bears to the firm yield.

1 In utilizing the available water supply to the extent permitted by law from the water  
2 rights available to the Project, the EPWSD shall take its allocation at Heron Dam at the  
3 point designated by the Contracting Officer. The responsibility of the United States shall  
4 cease at this point of delivery. During periods of abundance when the actual water  
5 supply may be more than the estimated firm yield, the EPWSD shall have the right to  
6 share in the actual available water supply in the ratio that the allocation above bears to the  
7 estimated firm yield, all as determined by the Contracting Officer. However, any such  
8 water taken above the allocation provided herein shall be pursuant to a separate contract  
9 covering the lease of said surplus water.

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#### TEMPORARY WATER LEASES

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8. (a) The EPWSD may lease the right to beneficially use water contracted for herein to third parties only with the Secretary's prior written permission and then only at cost. If, in any given calendar year, the EPWSD decides to lease the right to beneficially use all or a part of the water contracted for herein, Reclamation shall have the first option to lease that water. If Reclamation leases the contract right to use the water, it will pay no more than the EPWSD's incremental costs for OM&R per acre-foot plus the proportionate repayment costs for that year associated with the amount of water leased.

(b) Third-party contracts for the lease of Project Water by the EPWSD for all authorized purposes shall be limited to one (1) calendar year. If such contract provides either party an opportunity for renewal during the term of the contract, that

1 renewal is subject to the prior written permission of the Contracting Officer.

2

3 (c) Written permission by the Contracting Officer shall not be unreasonably  
4 withheld, and both Parties agree that time is of the essence when such permission is  
5 requested by the EPWSD.

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#### TITLE TO PROJECT WORKS

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9 9. Title to all Project Works and facilities shall remain in the United States  
10 until otherwise provided by the Congress.

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#### COMPLIANCE WITH ACTS OF CONGRESS OF APRIL 11, 1956; JUNE 13, 1962; AND MARCH 26, 1964

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#### CHARGES FOR DELINQUENT PAYMENTS

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11. (a) The EPWSD shall pay penalty charges on delinquent installments or payments. When payment is not received by the due date, the EPWSD shall pay an interest charge for each day the payment is delinquent beyond the due date. When a payment becomes 60 days delinquent, the EPWSD shall pay an administrative charge to cover additional costs of billings and processing the delinquent payment. When a payment is delinquent 90 days or more, the EPWSD shall pay an additional penalty charge of 6.0 percent per year for each day the payment is delinquent beyond the due date. Further, the EPWSD shall pay any fees incurred for debt collection services associated with the delinquent payment.

(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, 53 Stat. 1191. The interest charge rate shall be determined as of the due date and remain fixed for the duration of the delinquent period.

1 (c) When a partial payment for a delinquent account is received, the  
2 amount received shall be applied first to the penalty, second to the administrative  
3 charges, third to the accrued interest and finally to the overdue payment.  
4

5 OBLIGATION--BENEFITS CONDITIONED UPON PAYMENT  
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7 12. (a) The obligation of the EPWSD to pay the United States as provided in  
8 this Contract is a obligation of the EPWSD notwithstanding the manner in which the  
9 obligation may be distributed among the EPWSD's water users and notwithstanding the  
10 default of individual water users in their obligation to the EPWSD.

11 (b) The payment of charges becoming due pursuant to this Contract is a  
12 condition precedent to receiving benefits under this Contract. The United States shall not  
13 make water available to the EPWSD through San Juan-Chama Project facilities during  
14 any period in which the EPWSD is in arrears in the advance payment of any operation  
15 and maintenance charges due the United States or in arrears for more than 12 months in  
16 the payment of any construction charges due the United States. The EPWSD shall not  
17 deliver water under the terms and conditions of this Contract for lands or parties that are  
18 in arrears in the advance payment of operation and maintenance charges or in arrears  
19 more than 12 months in the payment of construction charges as levied or established by  
20 the EPWSD.  
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23 EMERGENCY RESERVE FUND  
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25 13. (a) Commencing on execution of this Contract, the EPWSD shall  
26 accumulate and maintain a reserve fund or demonstrate to the satisfaction of the  
27 Contracting Officer that other funds are available for use as an emergency reserve fund.  
28 The EPWSD shall establish and maintain that emergency reserve fund to meet costs  
29 incurred during periods of special stress caused by damaging droughts, storms,  
30 earthquakes, floods, or other emergencies threatening or causing interruption of water  
31 service.

32 (b) The EPWSD shall accumulate the reserve fund with annual deposits  
33 or investments of not less than \$110 to a Federally insured, interest- or dividend-bearing  
34 account or in securities guaranteed by the Federal Government: *Provided, That* money in  
35 the reserve fund, including accrued interest, shall be available within a reasonable time to  
36 meet expenses for such purposes as those identified in paragraph (d) herein. Such annual  
37 deposits and the accumulation of interest to the reserve fund shall continue until the basic  
38 amount of \$550 is accumulated. Following an emergency expenditure from the fund, the  
39 annual deposits shall continue from the year following the emergency expenditure until  
40 the previous balance is restored. After the initial amount is accumulated or after the  
41 previous balance is restored, the annual deposits may be discontinued, and the interest  
42 earnings shall continue to accumulate and be retained as part of the reserve fund.

43 (c) Upon mutual agreement between the EPWSD and the Contracting  
44 Officer, the basic reserve fund or the accumulated reserve fund may be adjusted to  
45 account for risk and uncertainty stemming from the size and complexity of the project;  
46 the size of the annual operation and maintenance budget; additions to, deletions from, or

1 changes in project works; and operation and maintenance costs not contemplated when  
2 this Contract was executed.

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4 (d) The EPWSD may make expenditures from the reserve fund only for  
5 meeting usual operation and maintenance costs incurred during periods of special stress,  
6 as described in paragraph (a) herein; or for meeting unforeseen extraordinary operation  
7 and maintenance costs; or for meeting unusual or extraordinary repair or replacement  
8 costs; or for meeting betterment costs (in situations where recurrence of severe problems  
9 can be eliminated) during periods of special stress. Proposed expenditures from the fund  
10 shall be submitted to the Contracting Officer in writing for review and written approval  
11 prior to disbursement. Whenever the reserve fund is reduced below the current balance  
12 by expenditures there from, the EPWSD shall restore that balance by the accumulation of  
13 annual deposits as specified in paragraph (b) herein.

14 (e) During any period in which any of the project works are operated and  
15 maintained by the United States, the EPWSD agrees the reserve fund shall be available  
16 for like use by the United States.

17 (f) On or before December 31 of each year, the EPWSD shall provide a  
18 current statement of the principal and accumulated interest of the reserve fund account to  
19 the Contracting Officer.

20 (g) The emergency reserve fund may be held as a subset of a larger  
21 reserve fund established by the EPWSD to meet costs resulting from extraordinary  
22 circumstances. At no time shall such larger reserve fund be reduced to an amount less  
23 than the amount required by this Contract for emergency reserve funds. The terms of this  
24 section apply only to the emergency reserve funds required by this Contract.

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27 NOTICES

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29 14. Any notice, demand, or request authorized or required by this Contract  
30 shall be deemed to have been given, on behalf of the EPWSD, when mailed, postage  
31 prepaid, or delivered to the Regional Director, Upper Colorado Region, Bureau of  
32 Reclamation, 125 South State Street, Room 6107, Salt Lake City, Utah 84138-1102, and  
33 on behalf of the United States, when mailed, postage prepaid, or delivered to the  
34 Manager, El Prado Water and Sanitation District, PO Box 1110, El Prado, NM 87529.  
35 The designation of the addressee or the address may be changed by notice given in the  
36 same manner as provided in this section for other notices.

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39 CONTINGENT UPON APPROPRIATION OR ALLOTMENT OF FUNDS

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

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OFFICIALS NOT TO BENEFIT

16. No Member of or Delegate to the Congress, Resident Commissioner, or official of the EPWSD shall benefit from this Contract, or any subcontract, other than as a water user or landowner in the same manner as other water users or landowners.

CHANGES IN CONTRACTOR’S ORGANIZATION

17. While this contract is in effect, no change may be made in the Contractor’s organization, by dissolution, consolidation, merger or otherwise, except upon the Contracting Officer’s written consent, unless all obligations of the Contractor under this contract have been satisfied, or provision has been made for the satisfaction of all such obligations.

ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

18. 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 either party shall be valid until approved in writing by the other party.

BOOKS, RECORDS, AND REPORTS

19. The EPWSD shall establish and maintain accounts and other books and records pertaining to administration of the terms and conditions of this Contract, including the EPWSD's financial transactions; water supply data and water-use data; and other matters that the Contracting Officer may require. Reports 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.

RULES, REGULATIONS, AND DETERMINATIONS

20. (a) The parties agree that the delivery of water or the use of Federal facilities pursuant to this Contract is subject to Federal reclamation law, as amended and supplemented, and the rules and regulations promulgated by the Secretary of the Interior under Federal reclamation law.  
(b) The Contracting Officer shall have the right to make determinations necessary to administer this Contract that are consistent with the expressed and implied

1 provisions of this Contract, the laws of the United States and the State of New Mexico,  
2 and the rules and regulations promulgated by the Secretary of the Interior. Such  
3 determinations shall be made in consultation with the EPWSD.

4 PROTECTION OF WATER AND AIR QUALITY  
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6 21. (a) Project facilities used to make available and deliver water to the  
7 EPWSD shall be operated and maintained in the most practical manner to maintain the  
8 quality of the water at the highest level possible as determined by the Contracting  
9 Officer: *Provided, That* the United States does not warrant the quality of the water  
10 delivered to the EPWSD and is under no obligation to furnish or construct water  
11 treatment facilities to maintain or improve the quality of water delivered to the EPWSD.

12 (b) The EPWSD shall comply with all applicable water and air pollution  
13 laws and regulations of the United States and the State of New Mexico; and shall obtain  
14 all required permits or licenses from the appropriate Federal, State, or local authorities  
15 necessary for the delivery of water by the EPWSD; and shall be responsible for  
16 compliance with all Federal, State, and local water quality standards applicable to surface  
17 and subsurface drainage and/or discharges generated through the use of Federal or  
18 EPWSD facilities or project water provided by the EPWSD within the EPWSD's Project  
19 Water Service Area.

20 (c) This section shall not affect or alter any legal obligations of the  
21 Secretary to provide drainage or other discharge services.  
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23  
24 WATER CONSERVATION  
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26 22. Prior to the delivery of water provided from or conveyed through federally  
27 constructed or federally financed facilities pursuant to this Contract, the EPWSD shall  
28 develop a water conservation plan, as required by Section 210(b) of the Reclamation  
29 Reform Act of 1982 (RRA) and Part 427.1 of the Water Conservation Rules and  
30 Regulations effective January 1, 1998.  
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32  
33 EQUAL OPPORTUNITY  
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35 23. During the performance of this contract, the EPWSD agrees as follows:

36 (a) The EPWSD will not discriminate against any employee or applicant for  
37 employment because of race, color, religion, sex, or national origin. The EPWSD will  
38 take affirmative action to ensure that applicants are employed, and that employees are  
39 treated during employment, without regard to their race, color, religion, sex, or national  
40 origin. Such action shall include, but not be limited to, the following: Employment,  
41 upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or  
42 termination; rates of pay or other forms of compensation; and selection for training,  
43 including apprenticeship. The EPWSD agrees to post in conspicuous places, available to  
44 employees and applicants for employment, notices to be provided by the Contracting  
45 Officer setting forth the provisions of this nondiscrimination clause.

1 (b) The EPWSD will, in all solicitations or advertisements for employees  
2 placed by or on behalf of the EPWSD, state that all qualified applicants will receive  
3 consideration for employment without discrimination because of race, color, religion,  
4 sex, or national origin.

5 (c) The EPWSD will send to each labor union or representative of workers  
6 with which it has a collective bargaining agreement or other contract or understanding, a  
7 notice, to be provided by the Contracting Officer, advising the said labor union or  
8 workers' representative of the EPWSD's commitments under Section 202 of Executive  
9 Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous  
10 places available to employees and applicants for employment.

11 (d) The EPWSD will comply with all provisions of Executive Order No.  
12 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant  
13 orders of the Secretary of Labor.

14 (e) The EPWSD will furnish all information and reports required by said  
15 amended Executive Order and by the rules, regulations, and orders of the Secretary of  
16 Labor, or pursuant thereto, and will permit access to its books, records, and accounts by  
17 the Contracting Officer and the Secretary of Labor for purposes of investigation to  
18 ascertain compliance with such rules, regulations, and orders.

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

26 (g) The EPWSD will include the provisions of paragraphs (a) through (g) in  
27 every subcontract or purchase order unless exempted by the rules, regulations, or orders  
28 of the Secretary of Labor issued pursuant to Section 204 of said amended Executive  
29 Order, so that such provisions will be binding upon each subcontractor or vendor. The  
30 EPWSD will take such action with respect to any subcontract or purchase order as may  
31 be directed by the Secretary of Labor as a means of enforcing such provisions, including  
32 sanctions for noncompliance: Provided, however, That in the event the EPWSD becomes  
33 involved in, or is threatened with, litigation with a subcontractor or vendor as a result of  
34 such direction, the EPWSD may request the United States to enter into such litigation to  
35 protect the interests of the United States.

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37  
38 COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

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40 24. (a) The EPWSD shall comply with Title VI of the Civil Rights Act of  
41 1964 (42 U.S.C. 2000d), Section 504 of the Rehabilitation Act of 1973 (P.L. 93-112, as  
42 amended), the Age Discrimination Act of 1975 (42 U.S.C. 6101, *et seq.*), Title II of the  
43 Americans with Disabilities Act of 1990, and any other applicable civil rights laws, as  
44 well as with their respective implementing regulations and guidelines imposed by the  
45 U.S. Department of the Interior and/or Bureau of Reclamation.

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

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

16 (d) Complaints of discrimination against the EPWSD shall be investigated  
17 by the Contracting Officer's Office of Civil Rights.

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20 MEDIUM FOR TRANSMITTING PAYMENTS

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

26 (b) Upon execution of the Contract, the EPWSD shall furnish the  
27 Contracting Officer with the EPWSD's taxpayer's identification number (TIN). The  
28 purpose for requiring the EPWSD's TIN is for collecting and reporting any delinquent  
29 amounts arising out the EPWSD's relationship with the United States.

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32 CONTRACT DRAFTING CONSIDERATIONS

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34 27. Sections 1 through 8 of this Contract have been drafted, negotiated, and  
35 reviewed by the parties hereto, each of whom is sophisticated in the matters to which this  
36 Contract pertains, and no one party shall be considered to have drafted the stated sections.

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39 CONSTRAINTS ON AVAILABILITY OF WATER

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41 28. (a) In its operation of the Project, the Contracting Officer will use all  
42 reasonable means to guard against a condition of shortage in the quantity of water to be  
43 made available to the EPWSD pursuant to this Contract. In the event the Contracting  
44 Officer determines that a condition of shortage appears probable, the Contracting Officer  
45 will notify the EPWSD of said determination as soon as practicable.

1                   (b) If there is a condition of shortage because of errors in physical  
2 operations of the Project, drought, other physical causes beyond the control of the  
3 Contracting Officer or actions taken by the Contracting Officer to meet current and future  
4 legal obligations, then no liability shall accrue against the United States or any of its  
5 officers, agents, or employees for damage, direct or indirect, arising therefrom.  
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1           IN WITNESS WHEREOF, the parties hereto have signed their names the day and  
2 year first above written.

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THE UNITED STATES OF AMERICA

By \_\_\_\_\_  
Regional Director, Upper Colorado Region  
Bureau of Reclamation

APPROVED:

\_\_\_\_\_  
Regional Solicitor

El Prado Water and Sanitation District

By: \_\_\_\_\_

ATTESTED:

\_\_\_\_\_