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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

TOWN OF TAOS

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**DRAFT REPAYMENT CONTRACT**

Between the

UNITED STATES OF AMERICA  
DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION

and the

TOWN OF TAOS

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 (Title V of the Claims Resolution Act of 2010, P.L. 111-  
291- December 8, 2010), and the Town of Taos.

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) TOWN OF TAOS - shall mean the incorporated municipality of Taos,  
10 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.

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

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

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

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

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### CONDITIONS

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### WATER DELIVERY PROVISIONS

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3. (a) The United States agrees to deliver, or make available for delivery, to the Town of Taos 366 acre-feet per year from the San Juan-Chama Project, in accordance

1 with the provisions of this contract. The point of delivery for San Juan-Chama Project  
2 water shall be the existing outlet works at Heron Dam. (b) To  
3 the extent that delivery of water is made through Project works, the Town of Taos will  
4 reimburse for this service in accordance with the provisions of Sections 5 and 6 of this  
5 contract.

6 (c)

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

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

15 (f)

16 TRANSPORTATION LOSSES

17 4. Transportation of water from Heron Dam and Reservoir or other points of  
18 delivery agreed to by both parties shall be the sole responsibility of the Town of Taos, so  
19 that no conveyance losses, including channel losses, shall be borne by the United States.

20

21 CONSTRUCTION CHARGE OBLIGATION AND REPAYMENT

22 5. (a) The Town of Taos's proportionate share of the investment costs,  
23 including interest during construction, incurred by the United States in constructing the

1 Reservoir Storage Complex, and allocated to the Town of Taos's Project water supply, is  
2 \$266,910. The investment costs allocated to the Town of Taos's water supply includes  
3 construction costs of \$238,427 based upon the March 2001 Final Cost Allocation  
4 prepared by the Bureau of Reclamation, plus interest during construction of \$28,483  
5 calculated by the Upper Colorado Region Financial Group. The interest rate established  
6 for repayment of reimbursable costs of interest-bearing components of the Project is  
7 3.046 percent per annum.

8 (b) In consideration of the water supply herein contracted for, the Town  
9 of Taos agrees to pay to the United States its pro rata share of the Reservoir Storage  
10 Complex investment costs of \$266,910. The Town of Taos's water supply investment  
11 costs, as provided herein, shall be paid in forty (40) annual installments of \$11,289 per  
12 year, as shown in Exhibit A, based on an annuity due formula and a Project interest rate  
13 of 3.046 percent. The first such installment will be due on December 31 of the year in  
14 which the contract has been fully executed. Subsequent annual installments shall become  
15 due on December 31 of each succeeding calendar year throughout the repayment period.

16 (c) The Town of Taos may make advance payments on any annual  
17 installment as set forth in paragraph (b) above or prepay any amount of the remaining  
18 balance, whereupon the schedule of future payments will be adjusted and interest  
19 components determined by unamortized construction costs shall be reduced accordingly.

20 OPERATION, MAINTENANCE, AND REPLACEMENT COSTS

21 6. (a) The United States shall be responsible for the operation, maintenance,  
22 and replacement (OM&R) of the Reservoir Storage Complex and related facilities. The  
23 Town of Taos's annual reimbursable OM&R costs shall be 0.3805 percent of the total

1 OM&R costs of the Project (366 divided by 96,200). Notice of billings for the next  
2 Fiscal Year's reimbursable OM&R costs will be issued to the Town of Taos on or before  
3 May 1 of each calendar year, with the first such notice to be issued immediately  
4 following the execution of this Contract. In the event the first notice shall be for costs of  
5 service of less than a full Fiscal Year, such costs shall be pro rated for the period covered.  
6 Each notice shall show an itemization of the estimated reimbursable OM&R costs of the  
7 Reservoir Storage Complex, excluding the OM&R cost of El Vado Dam and Reservoir,  
8 with the exception of 27 percent of any replacement costs of the outlet works of said El  
9 Vado Dam. The Town of Taos shall advance its share of the OM&R costs for each Fiscal  
10 Year as follows:

- 11 (1) One-fourth on or before September 30 of the Fiscal Year  
12 preceding the applicable Fiscal Year.
- 13 (2) One-fourth on or before December 31 of the applicable Fiscal  
14 Year.
- 15 (3) One-fourth on or before March 10 of the applicable Fiscal  
16 Year.
- 17 (4) One-fourth on or before May 10 of the applicable Fiscal year.

18 (b) In the event the OM&R cost estimate falls short of the actual costs in  
19 any period, or whenever it is anticipated by that Contracting Officer that a deficit will  
20 occur during the Fiscal year, supplemental notices requesting additional funds may be  
21 issued by the Contracting Officer. Funds not spent during one Fiscal Year will be carried  
22 over for use during the next Fiscal year with funds required for that Fiscal Year being

1 reduced accordingly, and an itemized statement of actual costs incurred during the Fiscal  
2 Year shall be furnished to the Town of Taos.

3 (c) The Town of Taos is not obligated to pay any portion of the annual  
4 OM&R costs allocated to the fish and wildlife function. Those OM&R costs attributed to  
5 the fish and wildlife function are 9.49 percent of the annual OM&R costs of the Reservoir  
6 Storage Complex, excluding El Vado Dam and Reservoir, based on the March 2001 Final  
7 Cost Allocation.

8

9 WATER RIGHTS - WATER SUPPLY GENERAL

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

15 (b) Right to Allocate - The Town of Taos and its agents and assigns shall  
16 have the exclusive right to allocate, use, and dispose of that share of the Project Water  
17 supply available and allocated to them under this Contract, except as provided for in  
18 Section 8. Water may be used or disposed of for any purpose desired by the Town of  
19 Taos subject to the approval of the Contracting Officer, and in compliance with  
20 applicable state and federal law. Such use or disposal may be by diverting and applying  
21 such water directly from the Rio Grande stream system, by diverting and applying  
22 underground water and utilizing Project Water to offset the adverse effects of such

1 underground water withdrawals heretofore or hereafter made from the Rio Grande stream  
2 system, or otherwise as the Town of Taos may desire.

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

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

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

12 (f) Use and Allotment of Project Water - The Project is designed to  
13 furnish an estimated firm yield from storage for Project use of approximately 96,200  
14 acre-feet of water annually. Of this yield, 366 acre-feet shall be available annually to the  
15 Town of Taos for use under this Contract. The Contracting Officer has the authority and  
16 responsibility for water measurement as set forth in the Accounting of Water report, San  
17 Juan-Chama Project, dated February 1963. During periods of scarcity when the actual  
18 available water supply may be less than the estimated firm yield, the Town of Taos shall  
19 share in the available water supply in the ratio that the above allocation bears to the firm  
20 yield. In utilizing the available water supply to the extent permitted by law from the  
21 water rights available to the Project, the Town of Taos shall take its allocation at Heron  
22 Dam at the point designated by the Contracting Officer. The responsibility of the United  
23 States shall cease at this point of delivery. During periods of abundance when the actual

1 water supply may be more than the estimated firm yield, the Town of Taos shall have the  
2 right to share in the actual available water supply in the ratio that the allocation above  
3 bears to the estimated firm yield, all as determined by the Contracting Officer. However,  
4 any such water taken above the allocation provided herein shall be pursuant to a separate  
5 contract covering the lease of said surplus water.

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#### TEMPORARY WATER LEASES

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

16 (b) Third-party contracts for the lease of Project Water by the Town of  
17 Taos for all authorized purposes shall be limited to one (1) calendar year. If such  
18 contract provides either party an opportunity for renewal during the term of the contract,  
19 that renewal is subject to the prior written permission of the Contracting Officer.

20 (c) Written permission by the Contracting Officer shall not be  
21 unreasonably withheld, and both Parties agree that time is of the essence when such  
22 permission is requested by the Town of Taos.

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TITLE TO PROJECT WORKS

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

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

10. Construction, care, OM&R of the Project and Project Works, including the allocation, diversion, and distribution of water as authorized by the Federal Reclamation Laws, by the Act of Congress of April 11, 1956 (70 Stat. 105); the Act of Congress of June 13, 1962 (76 Stat. 96); and the Act of Congress of March 26, 1964 (78 Stat. 171), shall be subject to and in conformance with the applicable conditions, limitations, and provisions of these acts and the statutes, compacts, and treaties referenced in said 1956, 1962 and 1964 acts.

CHARGES FOR DELINQUENT PAYMENTS

11. (a) The Town of Taos shall pay penalty charges on delinquent installments or payments. When payment is not received by the due date, the Town of Taos shall pay an interest charge for each day the payment is delinquent beyond the due date. When a payment becomes 60 days delinquent, the Town of Taos 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 Town of Taos 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 Town of Taos 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.

(c) When a partial payment for 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.

OBLIGATION--BENEFITS CONDITIONED UPON PAYMENT

12. (a) The obligation of the Town of Taos to pay the United States as provided in this Contract is a obligation of the Town of Taos notwithstanding the manner in which the obligation may be distributed among the Town of Taos's water users and notwithstanding the default of individual water users in their obligation to the Town of Taos.

1 (b) The payment of charges becoming due pursuant to this Contract is a  
2 condition precedent to receiving benefits under this Contract. The United States shall not  
3 make water available to the Town of Taos through San Juan-Chama Project facilities  
4 during any period in which the Town of Taos is in arrears in the advance payment of any  
5 operation and maintenance charges due the United States or in arrears for more than 12  
6 months in the payment of any construction charges due the United States. The Town of  
7 Taos shall not deliver water under the terms and conditions of this Contract for lands or  
8 parties that are in arrears in the advance payment of operation and maintenance charges  
9 or in arrears more than 12 months in the payment of construction charges as levied or  
10 established by the Town of Taos.

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### EMERGENCY RESERVE FUND

15 13. (a) Commencing on execution of this Contract, the Town of Taos shall  
16 accumulate and maintain a reserve fund or demonstrate to the satisfaction of the  
17 Contracting Officer that other funds are available for use as an emergency reserve fund.  
18 The Town of Taos shall establish and maintain that emergency reserve fund to meet costs  
19 incurred during periods of special stress caused by damaging droughts, storms,  
20 earthquakes, floods, or other emergencies threatening or causing interruption of water  
21 service.

22 (b) The Town of Taos shall accumulate the reserve fund with annual  
23 deposits or investments of not less than \$1,007 to a Federally insured, interest- or  
24 dividend-bearing account or in securities guaranteed by the Federal Government:  
25 *Provided, That* money in the reserve fund, including accrued interest, shall be available  
26 within a reasonable time to meet expenses for such purposes as those identified in  
27 paragraph (d) herein. Such annual deposits and the accumulation of interest to the  
28 reserve fund shall continue until the basic amount of \$5,036 is accumulated. Following  
29 an emergency expenditure from the fund, the annual deposits shall continue from the year  
30 following the emergency expenditure until the previous balance is restored. After the  
31 initial amount is accumulated or after the previous balance is restored, the annual deposits  
32 may be discontinued, and the interest earnings shall continue to accumulate and be  
33 retained as part of the reserve fund.

34 (c) Upon mutual agreement between the Town of Taos and the  
35 Contracting Officer, the basic reserve fund or the accumulated reserve fund may be  
36 adjusted to account for risk and uncertainty stemming from the size and complexity of the  
37 project; the size of the annual operation and maintenance budget; additions to, deletions  
38 from, or changes in project works; and operation and maintenance costs not contemplated  
39 when this Contract was executed.

40 (d) The Town of Taos may make expenditures from the reserve fund only  
41 for meeting usual operation and maintenance costs incurred during periods of special  
42 stress, as described in paragraph (a) herein; or for meeting unforeseen extraordinary  
43 operation and maintenance costs; or for meeting unusual or extraordinary repair or  
44 replacement costs; or for meeting betterment costs (in situations where recurrence of  
45 severe problems can be eliminated) during periods of special stress. Proposed  
46 expenditures from the fund shall be submitted to the Contracting Officer in writing for

1 review and written approval prior to disbursement. Whenever the reserve fund is reduced  
2 below the current balance by expenditures there from, the Town of Taos shall restore that  
3 balance by the accumulation of annual deposits as specified in paragraph (b) herein.

4 (e) During any period in which any of the project works are operated and  
5 maintained by the United States, the Town of Taos agrees the reserve fund shall be  
6 available for like use by the United States.

7 (f) On or before December 31 of each year, the Town of Taos shall  
8 provide a current statement of the principal and accumulated interest of the reserve fund  
9 account to the Contracting Officer.

10 (g) The emergency reserve fund may be held as a subset of a larger  
11 reserve fund established by the Town of Taos to meet costs resulting from extraordinary  
12 circumstances. At no time shall such larger reserve fund be reduced to an amount less  
13 than the amount required by this Contract for emergency reserve funds. The terms of this  
14 section apply only to the emergency reserve funds required by this Contract.

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17 NOTICES

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19 14. Any notice, demand, or request authorized or required by this Contract  
20 shall be deemed to have been given, on behalf of the Town of Taos, when mailed,  
21 postage prepaid, or delivered to the Regional Director, Upper Colorado Region, Bureau  
22 of Reclamation, 125 South State Street, Room 6107, Salt Lake City, Utah 84138-1102,  
23 and on behalf of the United States, when mailed, postage prepaid, or delivered to the  
24 Town Manager, Town of Taos, 400 Camino de la Placita, Taos NM 87571. The  
25 designation of the addressee or the address may be changed by notice given in the same  
26 manner as provided in this section for other notices.

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29 CONTINGENT UPON APPROPRIATION OR ALLOTMENT OF FUNDS

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

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40 OFFICIALS NOT TO BENEFIT

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



1 treatment facilities to maintain or improve the quality of water delivered to the Town of  
2 Taos.

3 (b) The Town of Taos shall comply with all applicable water and air  
4 pollution laws and regulations of the United States and the State of New Mexico; and  
5 shall obtain all required permits or licenses from the appropriate Federal, State, or local  
6 authorities necessary for the delivery of water by the Town of Taos; and shall be  
7 responsible for compliance with all Federal, State, and local water quality standards  
8 applicable to surface and subsurface drainage and/or discharges generated through the  
9 use of Federal or Town of Taos facilities or project water provided by the Town of Taos  
10 within the Town of Taos's Project Water Service Area.

11 (c) This section shall not affect or alter any legal obligations of the  
12 Secretary to provide drainage or other discharge services.

### 13 14 15 WATER CONSERVATION

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17 22. Prior to the delivery of water provided from or conveyed through federally  
18 constructed or federally financed facilities pursuant to this Contract, the Town of Taos  
19 shall develop a water conservation plan, as required by Section 210(b) of the Reclamation  
20 Reform Act of 1982 (RRA) and Part 427.1 of the Water Conservation Rules and  
21 Regulations effective January 1, 1998.

### 22 23 EQUAL OPPORTUNITY

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25 23. During the performance of this contract, the Town of Taos agrees as follows:

26 (a) The Town of Taos will not discriminate against any employee or applicant  
27 for employment because of race, color, religion, sex, or national origin. The Town of  
28 Taos will take affirmative action to ensure that applicants are employed, and that  
29 employees are treated during employment, without regard to their race, color, religion,  
30 sex, or national origin. Such action shall include, but not be limited to, the following:  
31 Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising;  
32 layoff or termination; rates of pay or other forms of compensation; and selection for  
33 training, including apprenticeship. The Town of Taos agrees to post in conspicuous  
34 places, available to employees and applicants for employment, notices to be provided by  
35 the Contracting Officer setting forth the provisions of this nondiscrimination clause.

36 (b) The Town of Taos will, in all solicitations or advertisements for  
37 employees placed by or on behalf of the Conservancy, state that all qualified applicants  
38 will receive consideration for employment without discrimination because of race, color,  
39 religion, sex, or national origin.

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

1 (d) The Town of Taos will comply with all provisions of Executive Order No.  
2 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant  
3 orders of the Secretary of Labor.

4 (e) The Town of Taos will furnish all information and reports required by said  
5 amended Executive Order and by the rules, regulations, and orders of the Secretary of  
6 Labor, or pursuant thereto, and will permit access to its books, records, and accounts by  
7 the Contracting Officer and the Secretary of Labor for purposes of investigation to  
8 ascertain compliance with such rules, regulations, and orders.

9 (f) In the event of the Town of Taos's noncompliance with the  
10 nondiscrimination clauses of this contract or with any of the such rules, regulations, or  
11 orders, this contract may be canceled, terminated, or suspended, in whole or in part, and  
12 the Town of Taos may be declared ineligible for further Government contracts in  
13 accordance with procedures authorized in said amended Executive Order, and such other  
14 sanctions may be imposed and remedies invoked as provided in said Executive Order, or  
15 by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

16 (g) The Town of Taos will include the provisions of paragraphs (a) through  
17 (g) in every subcontract or purchase order unless exempted by the rules, regulations, or  
18 orders of the Secretary of Labor issued pursuant to Section 204 of said amended  
19 Executive Order, so that such provisions will be binding upon each subcontractor or  
20 vendor. The Town of Taos will take such action with respect to any subcontract or  
21 purchase order as may be directed by the Secretary of Labor as a means of enforcing such  
22 provisions, including sanctions for noncompliance: Provided, however, That in the event  
23 the Town of Taos becomes involved in, or is threatened with, litigation with a  
24 subcontractor or vendor as a result of such direction, the Town of Taos may request the  
25 United States to enter into such litigation to protect the interests of the United States.  
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## 28 COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

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

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

43 (c) The Town of Taos makes this agreement in consideration of and for  
44 the purpose of obtaining any and all Federal grants, loans, contracts, property discounts,  
45 or other Federal financial assistance extended after the date hereof to the Town of Taos  
46 by the Bureau of Reclamation, including installment payments after such date on account

1 of arrangements for Federal financial assistance which were approved before such date.  
2 The Town of Taos recognizes and agrees that such Federal assistance will be extended in  
3 reliance on the representations and agreements made in this section and that the United  
4 States reserves the right to seek judicial enforcement thereof.

5 (d) Complaints of discrimination against the Town of Taos shall be  
6 investigated by the Contracting Officer's Office of Civil Rights.

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9 MEDIUM FOR TRANSMITTING PAYMENTS

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11 26. (a) All payments from the Town of Taos to the United States under this  
12 Contract shall be by the medium requested by the United States on or before the date  
13 payment is due. The required method of payment may include checks, wire transfers, or  
14 other types of payment specified by the United States.

15 (b) Upon execution of the Contract, the Town of Taos shall furnish the  
16 Contracting Officer with the Town of Taos's taxpayer's identification number (TIN). The  
17 purpose for requiring the Town of Taos's TIN is for collecting and reporting any  
18 delinquent amounts arising out the Town of Taos's relationship with the United States.

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21 CONTRACT DRAFTING CONSIDERATIONS

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

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28 CONSTRAINTS ON AVAILABILITY OF WATER

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30 28. (a) In its operation of the Project, the Contracting Officer will use all  
31 reasonable means to guard against a condition of shortage in the quantity of water to be  
32 made available to the Town of Taos pursuant to this Contract. In the event the  
33 Contracting Officer determines that a condition of shortage appears probable, the  
34 Contracting Officer will notify the Town of Taos of said determination as soon as  
35 practicable.

36 (b) If there is a condition of shortage because of errors in physical  
37 operations of the Project, drought, other physical causes beyond the control of the  
38 Contracting Officer or actions taken by the Contracting Officer to meet current and future  
39 legal obligations, then no liability shall accrue against the United States or any of its  
40 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

TOWN OF TAOS

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

ATTESTED:

\_\_\_\_\_