APPENDIX A

FINAL DRAFT CONTRACT
This Contract, made this ___ day of __________, 2007, between the United States of America, hereinafter called "the United States", and the Pine River Irrigation District, hereinafter called "the District," pursuant to the Act of June 17, 1902 (32 Stat. 388) and all acts amendatory thereof or supplementary thereto, particularly the Act of February 25, 1920 (41 Stat. 451), collectively known as the Federal Reclamation laws.

WITNESSETH:

WHEREAS, pursuant to Section 4 of the Act of June 25, 1910 (36 Stat. 835), and Subsection B, Section 4 of the Fact Finders Act of December 5, 1924 (43 Stat. 701), and as authorized by the President on June 17, 1937, the United States constructed the Pine River Project.

WHEREAS, the United States and the District entered into Amendatory Contract No.II-1204, dated November 30, 1953, for the construction, operation, and maintenance of the Pine River Project, for the delivery of Project Water, and the repayment of irrigation costs associated with the Project.

WHEREAS, the District has no current construction repayment obligation to the United States, having repaid its entire irrigation construction obligation to the United States.

WHEREAS, the District operates Vallecito Dam and Reservoir in accordance with the terms of contracts with the United States and the aforementioned Federal Reclamation Laws, and the District currently supplies Project Water to the Pine River Service Area for irrigation and other uses incidental to irrigation.

WHEREAS, the Act of February 25, 1920, authorizes the Secretary to enter into contracts to supply water from any project irrigation system for uses other than irrigation, upon such conditions of delivery, use, and payment as the Secretary may deem proper; Provided, That the approval of
such contract by the water users' association or associations (the District) shall have been first
obtained; Provided, That no such contract shall be entered into except upon a showing that there is
no other practicable source of water supply for the purpose; Provided further, That no water shall be
furnished for the uses aforesaid if the delivery of such water shall be detrimental to the water service
for such irrigation project or to the rights of any prior appropriator; Provided further, That the
moneys derived from such contracts shall be covered into the Reclamation Fund and be placed to the
credit of the project from which such water is supplied.

WHEREAS, pursuant to Case No. 03CV300 dated June 28, 2004 in District Court, LaPlata
County, Colorado, Division 4, the District has the authority to lease water for the purposes of this
Contract.

WHEREAS, there is a need for the additional long term provision of Project Water for uses
other than irrigation within and outside the service area.

NOW, THEREFORE, in consideration of the mutual and dependent covenants herein
contained, the parties hereto agree as follows:

DEFINITIONS

1. (a) "District" means the Pine River Irrigation District, a public corporation, organized
under the laws of the State of Colorado.

(b) "Project" means the Pine River Project in Colorado, exclusive of the Pine River
Indian Irrigation Project (PRIIP).

(c) "Project Water" means all water appropriated or otherwise acquired by the District as
further defined in Amendatory Contract No.IIr-1204 dated November 30, 1953, including water
rights acquired by the United States and transferred to the District pursuant to Contract No.14-06-
400-6106 dated July 17, 1974, for the benefit of the Project, but not the 1/6 of the water in Vallecito
Reservoir held in trust by the Bureau of Indian Affairs (BIA), primarily for the Southern Ute Indian
Tribe (Tribe) under PRIIP.

(d) "Project Works" means all works or facilities constructed for the Project by
Reclamation, together with any rights-of-way.

(e) "Reclamation Law" means the Act of June 17, 1902 (32 Stat. 388), and all acts
amendatory thereof or supplementary thereto, including particularly the Act of February 25, 1920
(f) "Secretary or Contracting Officer" means the Secretary of the United States Department of the Interior or the Secretary’s duly authorized representative.

(g) "United States" means the United States of America acting by and through the Bureau of Reclamation, herein referred to as "Reclamation".

(h) "Leased Water" means water that is actually contracted to Third-Party Contractors, not including Standby Water or is contracted under the "Minor Uses" Block for District and Federal charges. Leased Water may supply municipal, industrial, and miscellaneous uses.

(i) "Standby Water" means water reserved under the Minor Uses or Third Party Contract provisions for future use which is not charged the Total Water Rate and is not delivered during the water year. The contractor may request the use of all or a portion of Standby Water by a certain date as determined by the District each water year, at which time the water will become Leased Water from that year on. Standby water not requested by that date is then returned to the storage pool for general project use in that water year.

(j) "Total Water Rate" means the total water rate the District charges for use of Leased Water which includes all District and Federal charges.

(k) "Third-Party Contract" means a contract between the District and a Third Party Contractor, pursuant to this Contract and subject to the approval of the United States, for the delivery of Leased Water.

(l) "Third-Party Contractor" means any entity and/or persons entering into a Third-Party Contract with the District and the United States for greater than 20 acre-feet (AF) of water or, at the discretion of the District, for a lesser amount of water outside the service area.

(m) "Minor Uses" means those existing and future uses within the Service Area whose individual Leased Water allocations are equal to or less than 20 AF and not contracted for under a Third Party Contract. Minor Uses will receive Leased Water in this Contract under the Minor Uses Block.

(n) "Water Year" means the year commencing on November 1 of each year and running through the following October 31.

(o) "Service Area" means the area to be served by the initial portion of the Leased Water and includes the entire Pine River Basin, the lower Piedra River Basin, and portions of the Florida River Basin east of the Florida River.
CONTRACTING AUTHORITY

2. This Contract, executed under the authority of the Act of June 17, 1902 (32 Stat. 388), and all acts amendatory thereof or supplementary thereto, particularly the Act of February 25, 1920 (41 Stat. 451), is supplementary to existing contracts between the United States and the District. This Contract establishes the terms and conditions for the use of Pine River Project Water provided for uses other than irrigation. All Project Water hereafter provided for miscellaneous uses and uses other than irrigation under the terms of this Contract shall be subject to the conditions set forth herein.

CONTRACT TERMS

3. (a) This Contract shall be effective upon execution by the parties hereto and, following payment of the obligations described herein, all other contract terms will remain in full force and effect until mutually agreed upon by the District and the United States.

(b) The terms and conditions of this Contract may be revised by Contract Amendment or the Contract terminated at any time if the District and United States mutually agree in writing.

WATER RIGHTS AND USE

4. (a) The water rights are appropriated for the Project and are in the name of the District, including the transferred rights of the United States and the water rights held in trust by the United States for the Tribe. The District has the right to use and distribute Project Water pursuant to Federal law and contract, and other State law and policies, rules, and regulations. This Contract shall not create, enlarge, or diminish any water right of the District, the United States, or any third party. Further, no third party may claim a water right based on any legal theory arising under State or Federal law, before any State or Federal judicial or administrative body based on the use of Project Water under this Contract.

(b) The use of any Leased or Standby Water under this Contract shall not be detrimental to the water rights held in trust by the United States for the Southern Ute Indian Tribe. Furthermore, the use of any Leased or Standby Water under this Contract shall in no way limit the Tribe's right to fully use its allocation of stored water in Vallecito Reservoir.
USE AND DELIVERY OF PROJECT WATER FOR MISCELLANEOUS USES

5. (a) Pursuant to this Contract and the provisions of the 1920 Act, the District is hereby authorized to use Project Water for municipal, industrial, and miscellaneous uses, under the two categories described herein.

(1) Minor Uses Block - A maximum of 2,000 AF annually of Project Water shall be available to the District for minor exchanges of 20 AF or less annually per exchange for municipal, industrial, and miscellaneous uses within the Service Area. Leases of Project Water, or water placed under Standby, by the District under this block can only be accomplished through the use of a “Water Exchange Agreement for 0.68 AF Users”, attached to this Contract as Attachment A or a “Water Exchange Agreement for Minor Uses from 0.69 AF to 20 AF” attached to this Contract as Attachment B. If all water in this Block is fully utilized, the District may pursue additional water for municipal, industrial, and miscellaneous uses pursuant to the conditions of this Contract, if it satisfies the 1920 Act conditions and obtains additional National Environmental Policy Act of 1969 (NEPA) compliance.

(2) Third-Party Contracts - A maximum of 4,700 AF annually of Project Water shall be made available to the District either to be leased to, or placed on standby status for, municipal, industrial, and miscellaneous users through Third-Party Contracts that will require approval by the United States pursuant to Article 7. The District agrees to require Third-Party Contracts for any users of Project Water who are requesting amounts greater than 20 AF annually or, at the District’s discretion, they can also require Third-Party Contracts for a lesser amount outside the Service Area. The total initial amount of approximately 150 AF shall be made available for the Town of Bayfield and the Forest Lakes Metro District through Third Party Contracts with those entities. This 150 AF plus an additional 850 AF for future Third Party Contracts equals 1,000 AF of initial Third Party Contract water. If the full 4,700 AF of water herein is fully utilized, the District may pursue additional water for municipal, industrial, and miscellaneous uses pursuant to the conditions of this Contract, if it satisfies the 1920 Act conditions and obtains additional NEPA compliance.

(b) NEPA Compliance - Prior to execution of this Contract, compliance with NEPA will be completed for the following:
(1) The 2,000 AF of Minor Uses water provided for in subarticle 5(a)(1). This includes the water under this block that is currently being delivered (approximately 400 AF) as well as the remaining 1,600 AF that may be delivered in the future, to the extent that the impacts associated with those future deliveries are consistent with the existing deliveries. This initial block of 2,000 AF of Minor Uses will be used only within the Service Area. If future delivery of this water does not occur as anticipated in the initial NEPA document, additional environmental analysis will be necessary prior to delivery of this water.

(2) The initial 1,000 AF of Third-Party Contract water as described in subarticle 5(a)(2). This initial block of 1,000 AF of Third-Party Contract water will be used only within the Service Area.

(3) Any additional future use of Project Water for municipal, industrial, or miscellaneous uses not addressed by the said NEPA documentation, including any Minor Uses water for greater than the 2,000 AF described in subarticle 5(a)(1) and any Third-Party Contracts for greater than the initial 1,000 AF described in subarticle 5(a)(2), will require additional NEPA compliance. The District will not take any actions through this Contract which are not in conformance with the NEPA documents for this Contract without additional NEPA compliance.

(c) 1920 Act Compliance - In order to comply with the 1920 Act, the following conditions must be satisfied prior to the use of Leased Water and prior to the placement of water under standby status: (1) The water users association, which the United States has determined the District, is required to approve this Contract. This condition will be satisfied by a resolution from the District; (2) No such contract shall be entered into except upon a showing that there is no other practicable source of water supply for the purpose. This condition will be satisfied by a written report by a professional engineer; and (3) that no water shall be furnished for the uses aforesaid if the delivery of such water shall be detrimental to the water service for such irrigation project or to the rights of any prior appropriator. This condition will be satisfied by a written report by a professional engineer specifying how use of this water will not impact irrigation.

The initial 1920 Act compliance for this Contract covers the 2,000 AF of water for Minor Uses as provided in subarticle 5(a)(1), and 1,000 AF of Third-Party Contract water as described in subarticle 5(a)(2). Additional 1920 Act compliance will be required for any water for Minor Uses greater than the 2,000 AF described in subarticle 5(a)(1), any Third Party Contracts greater
than the initial 1,000 AF of water under subarticle 5(a)(2), or for any additional future use of Project Water for municipal, industrial, or miscellaneous uses not addressed by the initial 1920 Act compliance for this Contract.

TERMS OF PAYMENT FOR THE USE OF PROJECT WATER FOR MISCELLANEOUS USES

6. (a) The District shall have the right to charge users for any Project Water made available under Articles 5(a)(1) and 5(a)(2). However, nothing in this Contract is intended to require the District to charge a uniform rate to water users. The District’s charges for Leased Water shall consist of, but are not limited to, the following components:

(1) Annual operation and maintenance costs;
(2) Annual costs associated with the administration of this Contract; and
(3) Annualized system improvements costs, replacement costs, and water conservation activity costs, all associated with the Project Works.

(b) The District charges for Standby Water shall be based on the amount of Standby Water that shall be designated in a contract for Minor Uses or Third Party Contract water. The District shall charge for Standby Water each year for each acre-foot designated in the Minor Uses or Third Party Contract. The charge for Standby Water shall be determined by resolution of the District Board of Directors. If the charge for Standby Water is not paid in a timely manner, the water user shall forfeit the rights to the Standby Water.

(c) Federal charges, which are calculated in addition to the District rate, shall in no event reduce the District’s rate. The District agrees to pay the United States fees for Project Water made available under this Contract consisting of the following components:

(1) An annual charge based on 15 percent of the District’s charges to the total amount of Project Water leased, or placed on Standby, under the Minor Uses Block, pursuant to Article 5(a)(1), in any given water year. Federal charges for leases under the Minor Uses Block will be based upon four sub-blocks comprising approximately 500 AF each. Each Minor Uses Sub-Block will have its own 40-year period of Federal charges. Minor Uses Sub-Block No. 1 will provide up to a maximum of 407 AF and Federal charges for the water leased under this sub-block will start with water year 2008 in November 2007 and end with water year 2047. Annual Federal charges will be based on
the amount of water leased in that particular year (current use is about 407 AF). When
any yearly demand by the District for water under the Minor Uses Block exceeds 407 AF,
then Minor Uses Sub-Block No. 2 will be issued by the Contracting Officer in
accordance with Article 14 and the 40-year Federal charge period will begin on that year
of issue. As in Sub-Block No. 1, annual Federal charges on Sub-Block No. 2 will be
based on the amount of water leased in that particular year (from 0 to 600 AF). For
example, if in water year 2010 the District requires 408 AF from the Minor Uses Block,
then Sub-Block No. 2 is issued and Federal charges on that sub-block will be assessed
from water year 2010 through 2049, and the Federal charges in 2010 will be based on
407 AF for Sub-Block No. 1 and 1 AF for Sub-Block No. 2. Similarly, when any yearly
demand by the District for water under the Minor Uses Block exceeds 1,000 AF, then
Minor Uses Sub-Block No. 3 will be issued and the 40-year Federal charge period on
Sub-Block No. 3 will begin on that year of issue, with Federal charges based on the
amount of water leased in that particular year (from 0 to 500 AF). And similarly, when
any yearly demand by the District for water under the Minor Uses Block exceeds 1,500
AF, then Minor Uses Sub-Block No. 4 will be issued and the 40-year Federal charge
period on Sub-Block No. 4 will begin on that year of issue, with Federal charges based on
the amount of water leased in that particular year (from 0 to 500 AF).

(2) An annual charge based on 15 percent of the District's charges to all
approved Third-Party Contracts in effect for Leased Water and Standby Water, pursuant
to Article 5(a)(2). This charge will be assessed for each Third-Party Contract for 40
years from the year that contract was executed.

(d) Billing by the United States will be based on the Annual Report provided by the
District. The District will provide to the United States, by December 31 following the water year
of use, the Annual Report which is comprised of a list accounting for the amounts of Project
Water under the Minor Uses Block and Third Party Contracts leased or on standby to users under
Articles 5(a)(1) and 5(a)(2). Based on this report, the United States will bill the District by
January 31 of the water year following the water year of use, and the District agrees to pay the
United States within 30 days of receipt of said bill. Any delinquent Third-Party Contactors shall
not receive water until all charges are paid in full. If the actual amount of water leased or on
standby is different from that reported in the Annual Report, any adjustments will be made on
the next annual billing.

c) All revenues resulting from the Federal charges pursuant to this Contract are subject
to the provisions of the 1920 Act and shall be deposited into the Reclamation Fund and be placed
to the credit of the Project.

THIRD-PARTY CONTRACTS

7. Contracts which provide Project Water to any third-party for municipal, industrial, and
miscellaneous uses for amounts greater than 20 acre-feet annually or, at the District’s discretion,
a lesser amount outside the service area, shall not be considered subcontracts for purposes of
Article 22 of this Contract. These Third-Party Contracts shall:

(a) Be subject to written approval of the Secretary, which approval shall not be withheld
if the terms of such contract are consistent with the terms hereof and with Federal Law, State
Law, regulation, or policy.

(b) Only be executed with providers and users of Leased Water and/or Standby Water.

(c) As a minimum, contain the following provisions:

1. All Third-Party Contractors are subject to this Contract and all Federal Laws,
State Laws, and regulations applicable to Project Water, particularly the 1920 Act.

2. If there are any conflicts between this Contract and any Third-Party Contract,
this Contract shall govern.

3. Nothing in the Third-Party Contract is intended to create a water right to
Project Water obtained pursuant to this Contract, and the Third-Party Contractor may not
claim a water right based on any legal theory arising under State or Federal law, before
any State or Federal judicial or administrative body based on the use of Project Water
under this or any Third-Party Contract.

4. The United States shall be a party to the contract with privity of contract
between the United States and the Third Party allowing the United States to enforce any
provision of the contract, Federal law, or Federal regulations against the third party
directly.

5. Third-Party Contractors are required to establish and maintain records
acceptable to the Secretary pertaining to the Third-Party Contractor’s receipt and use of
Project Water, and other matters as the Secretary may reasonably require. Records shall
be furnished to the Secretary in such form and on such date or dates as the Secretary may reasonably require.

(6) Third-Party Contractors are required to acknowledge that their right to use Leased Water, or have water on standby, is based strictly on their contract.

(7) The quality of Project Water is not warranted by the United States or the District.

(8) Third Parties must pay the Total Water Rate by the specified due date which includes the Federal revenue charge for water supplied under this Contract.

(9) In the event of default by a Third Party Contractor, the District has the option to continue payments to the United States on that amount of water by the time periods set forth in Article 6(d) or return the water to storage with no further obligation.

(d) The District, or the Third-Party Contractor, are responsible for all expenditures that are necessary to complete NEPA and other environmental law compliance for any future Third-Party Contracts not covered herein in Article 5(b)(2), and by providing this funding, will have the right to choose who they will contract for the work. However, the United States must approve all environmental compliance documentation prior to the execution of any future Third-Party Contract. Such environmental documentation may be prepared by or for another federal agency.

MEASUREMENT AND RESPONSIBILITY FOR DISTRIBUTION

8. (a) The water to be provided herein will be delivered at the outlet works of Valleleito Dam or from the Reservoir. All users of Leased Water will be required to provide a measuring device, which is acceptable to the Contracting Officer, at or near the Contractor’s point or points of diversion to measure the quantity of water diverted under this Contract. All users of Leased Water shall bear all post-delivery water losses, including but not limited to consumptive losses, conveyance losses, and channel losses.

(b) The District shall prepare and furnish such reports on water use and related data as required by the Contracting Officer.
UNITED STATES NOT LIABLE FOR WATER SHORTAGES - ADJUSTMENTS

9. There may occur at times during any year a shortage in the quantity of water available to the District through and by means of the Project, but in no event shall any liability accrue against the United States or any of its officers, agents, or employees for any damage, direct or indirect, arising from a shortage on account of drought, errors in operation, or any other causes.

In any year in which there may occur a shortage from any cause, the United States reserves the right to apportion the available water supply, pursuant to the District’s existing Repayment Contract with Reclamation, Contract No. I1r-1204, and the Memorandum of Understanding between Reclamation and the Bureau of Indian Affairs, Contract No. I1r-1161.

WATER MANAGEMENT

10. As required by Section 210(b) of the Reclamation Reform Act of 1982 (RRA) and Part 427.1 of the Water Conservation Rules and Regulations effective January 1, 1998, the District developed and adopted a water management plan in 2001 entitled “Pine River Irrigation District Water Management Plan, December 17, 2001”. The District shall continue to implement measures contained in their plan, and at subsequent 5-year intervals from the 2001 plan, the District shall submit a report on the results of the program to the Contracting Officer for review. Based on the conclusions of the review, the Contracting Officer and District shall consult and determine whether to continue or update the existing water management program.

STANDARD ARTICLES

CHARGES FOR DELINQUENT PAYMENTS

11. (a) The District shall be subject to interest, administrative, and penalty charges on delinquent payments. If a payment is not received by the due date, the District 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, the District 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, the District 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 6 percent per year. The District shall also pay any fees incurred for debt collection services associated with a delinquent payment.
(b) 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.
(c) When a partial 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.

GENERAL OBLIGATION--BENEFITS CONDITIONED UPON PAYMENT

12. (a) The obligation of the District to pay the United States as provided in this
Contract is a general obligation of the District notwithstanding the manner in which the
obligation may be distributed among the District's water users and notwithstanding the default of
individual water users in their obligation to the District.
(b) The payment of charges becoming due pursuant to this Contract is a condition
precedent to receiving benefits under this Contract. The District shall not deliver water under the
terms and conditions of this Contract for lands or parties that are in arrears in the advance
payment of water rates as levied or established by the District.

CONFIRMATION OF CONTRACT

13. The District, after the execution of this Contract, shall furnish to the Contracting
Officer evidence that pursuant to the laws of the State of Colorado, the District is a legally
constituted entity and the Contract is lawful, valid, and binding on the District. This Contract
shall not be binding on the United States until such evidence has been provided to the
Contracting Officer's satisfaction.

NOTICES

14. Any notice, demand, or request authorized or required by this Contract shall be
deemed to have been given, on behalf of the District, when mailed, postage prepaid, or delivered
to the Regional Director, Upper Colorado Region, Bureau of Reclamation, 125 South State
Street, Room 6107, Salt Lake City, Utah 84138-1102, and on behalf of the United States, when
mailed, postage prepaid, or delivered to the Pine River Irrigation District, 13029 County Road
501, Bayfield, Colorado 81122. 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.

CONTINGENT UPON APPROPRIATION OR ALLOTMENT OF FUNDS

15. 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 District 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

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

CHANGES IN DISTRICT'S ORGANIZATION

17. While this Contract is in effect, no change may be made in the District's organization, by any changes which may affect the respective rights, obligations, privileges, and duties of either the United States or the District under this Contract including, but not limited to, dissolution, consolidation, or merger, except upon the Contracting Officer's written consent.

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 District shall establish and maintain accounts and other books and records pertaining to administration of the terms and conditions of this Contract, including the District's financial transactions; water supply data; project operation, maintenance, and replacement logs; 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 provisions of this Contract, the laws of the United States and the State, and the rules and regulations promulgated by the Secretary of the Interior. Such determinations shall be made in consultation with the District.
PROTECTION OF WATER AND AIR QUALITY

21. (a) Project facilities used to make available and deliver water to the District shall be
operated and maintained in the most practical manner to maintain the quality of the water at the
highest level possible as determined by the Contracting Officer; Provided, That the United States
does not warrant the quality of the water delivered to the District and is under no obligation to
furnish or construct water treatment facilities to maintain or improve the quality of water
delivered to the District.
(b) The District shall comply with all applicable water and air pollution laws and
regulations of the United States and the State of Colorado; and shall obtain all required permits
or licenses from the appropriate Federal, State, or local authorities necessary for the delivery of
water by the District; and shall be responsible for compliance with all Federal, State, and local
water quality standards applicable to surface and subsurface drainage and/or discharges
generated through the use of Federal or District facilities or project water provided by the
District within the District's Project Water Service Area.
(c) This article shall not affect or alter any legal obligations of the Secretary to provide
drainage or other discharge services.

EQUAL EMPLOYMENT OPPORTUNITY

22. During the performance of this Contract, the District agrees as follows:
(1) The District will not discriminate against any employee or applicant for
employment because of race, color, religion, sex, disability, or national origin. The
District will take affirmative action to ensure that applicants are employed, and that
employees are treated during employment, without regard to their race, color, religion,
sex, disability, or national origin. Such action shall include, but not be limited to the
following: employment, upgrading, demotion, or transfer; recruitment or recruitment
advertising; layoff or termination; rates of pay or other forms of compensation; and
selection for training, including apprenticeship. The District agrees to post in
conspicuous places, available to employees and applicants for employment, notices to be
provided by the Contracting Officer setting forth the provisions of this nondiscrimination
clause.
(2) The District will, in all solicitations or advertisements for employees placed
by or on behalf of the District, state that all qualified applicants will receive consideration
for employment without regard to race, color, religion, sex, disability, or national origin.
(3) The District will send to each labor union or representative of workers with
which it has a collective bargaining agreement or other contract or understanding, a
notice, to be provided by the Contracting Officer, advising the labor union or workers' representative of the District's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available
to employees and applicants for employment.
(4) The District will comply with all provisions of Executive Order No. 11246 of
September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of
Labor.
(5) The District will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the Contracting Agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the District's noncompliance with the nondiscrimination clauses of this Contract or with any of such rules, regulations, or orders, this Contract may be canceled, terminated or suspended in whole or in part and the District may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965 or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The District will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The District will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the District becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the District may request the United States to enter into such litigation to protect the interests of the United States.

COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

23. (a) The District shall comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794, as amended), the Age Discrimination Act of 1975 (42 U.S.C. 6101, et seq.), Title II of the Americans with Disabilities Act of 1990 if the entity is a State or local government entity [Title II if the entity is a non-governmental entity], and any other applicable civil rights laws, as well as with their respective implementing regulations and guidelines imposed by the U.S. Department of the Interior and/or Bureau of Reclamation.

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

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

(d) Complaints of discrimination against the District shall be investigated by the Contracting Officer’s Office of Civil Rights.

MEDIUM FOR TRANSMITTING PAYMENTS

24. (a) All payments from the District to the United States under this Contract shall be by the medium requested by the United States 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 the United States.

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

CONTRACT DRAFTING CONSIDERATIONS

25. Articles 1 through 25 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 the day and year first written above.

Approved: 

UNITED STATES OF AMERICA

______________________________
Office of the Regional Solicitor
Regional Director
Upper Colorado Region
Bureau of Reclamation

ATTEST:

PINE RIVER IRRIGATION DISTRICT

______________________________
Secretary
President
ATTACHMENT "A"

WATER EXCHANGE AGREEMENT 0.68 AF USERS

This Water Exchange Agreement is entered between the PINE RIVER IRRIGATION DISTRICT whose address is 13029 COUNTY ROAD 50, BAYFIELD, CO 81122 (hereafter the District), whose mailing address is and property address is (hereafter the Water User).

The District is willing to provide exchange water from the Valklecho Reservoir to the Property Owner for off-site priority diversions of 0.68 acre-feet or less as provided herein. THIS AGREEMENT IS ENTERED BY THE WATER USER TO SATISFY THE REQUIREMENTS OF THE DIVISION OF WATER RESOURCES AND THE CONTRACT BETWEEN THE DISTRICT AND THE UNITED STATES, NO 06-WC-00-T10 (CONTRACT), AND IS A SERVICE PROVIDED TO THE WATER USER BY THE DISTRICT AND IS NOT A REQUIREMENT OF THE DISTRICT.

Type of structure: domestic water, pond, pump, surface area of pond:

Other (describe):

Permit #:_________________________ Decree #:_________________________

The property where the water is to be used is located in the ______________ 1/4 1/4 of Sec:______ Township _____ (N/S) Range ____ (E/W)

Subdivision:________________________

Lot No:______ parcel No:________________________

Tax Account No:________________________

Meter Location:________________________

This Agreement shall commence on the date the Pine River Irrigation District signs and seals said Agreement. This Agreement shall be renewed from year to year unless terminated in writing by the Water User prior to April 1 of any year, or terminated by the District for failure to pay on a timely basis.

The water to be provided under this Agreement shall not exceed 0.68 acre-feet. The water shall be released from Valklecho Reservoir to the Pine River as directed by the Division of Water Resources. Any water not released by November 1 of any year shall revert to the District and shall not be carried over to the next water year. This water is provided under the provisions for "Minor Users" as defined in the Contract. The Water User agrees to pay for the total fees water specified in the rate of one hundred seventy dollars ($170.00) to the District for water release-up to 0.68 acre-feet plus a surcharge of 15% of the total cost of the water, which the District must pay to the United States. The minimum fee shall be paid regardless of whether any water is actually used from the structure in any water year. On January 1 of the preceding water year the District will bill Water User the amount due, and the amount due shall be due upon receipt. In the event the amount due is not paid by April 1, then this Agreement may be terminated by the District and the Division of Water Resources shall be notified of the termination. The District may adjust the annual fee, minimum fee, fees required to be assessed by the United States, and acre-feet fees with notice to the Property Owner prior to the beginning of any water year.

The Water User is responsible for obtaining any required permits and other approvals to construct the structure and to divert or use water from the structure. The Division of Water Resources will require a meter on all wells and a measuring device on other structures. The Water User shall be required to read the meter and report water usage as required by the Division of Water Resources and the District. Failure to provide a meter reading shall result in the imposition of a meter-reading fee. In the event the Division of Water Resources requires the manual reading of meters by the District, then the Water User shall pay an annual meter-reading fee.

The Water User agrees not to hold the District responsible for any loss or damage incurred as a result of the District's inability to perform due to causes outside the control of the District, including, but not limited to, acts of God, natural disasters, drought, major equipment failure or malfunction, or changes in Colorado or Federal law or policy which make the operation of the Agreement impractical or impossible.

The application fee is one hundred fifty dollars ($150.00) and the transfer fee is fifty dollars ($50.00).

PINE RIVER IRRIGATION DISTRICT

PROPERTY OWNER(S)

Date:_________________________ Date:_________________________
ATTACHMENT "B"

WATER EXCHANGE AGREEMENT MINOR USERS 0.69 ACRE- FEET TO 28 ACRE- FEET

This Water Exchange Agreement is entered between the PINE RIVER IRRIGATION DISTRICT whose address is 13029 COUNTY ROAD 501, BAYFIELD, CO 81122 (hereinafter the District), and

whose mailing address is

and property address is

(hereinafter the Water User).

The District is willing to provide exchange water from the Vallecito Reservoir to the Water User for out of priority diversions as provided herein. THIS AGREEMENT IS ENTERED BY THE WATER USER TO SATISFY THE REQUIREMENTS OF THE DIVISION OF WATER RESOURCES, AND THE CONTRACT BETWEEN THE DISTRICT AND THE UNITED STATES, NO. 06-WC-40-710 (CONTRACT), AND IS A SERVICE PROVIDED TO THE WATER USER BY THE DISTRICT AND IS NOT A REQUIREMENT OF THE DISTRICT.

Type of structure: domestic well _______ commercial well _______ pond _______ pump _______

Other (describe) _______

surface area of pond _______

Permit Number _______

Deed # _______

The property where the water is to be used is located in the 1/4 of Section __________ Township (Nth) __________ Range (Wth) _______

Subdivision: _______

Lot No. _______

Parcel No. _______

Tax Account No. _______

The Water User shall commence on the date that the Pine River Irrigation District signs and seals such Agreement. This Agreement shall be automatically renewed from year to year unless terminated in writing by the Water User prior to April 1 of any year, or terminated by the District for failure to pay on a timely basis.

The water to be released under this Agreement shall not exceed _______ acre-feet of firm water per year and _______ acre-foot of standby water per year. The releases shall be made to the Pine River as directed by the Division of Water Resources. Any water not released by November 1 of any year shall revert to the District and shall not be carried over to the next water year.

The Water User agrees to pay for the total farm water specified at the rate of two hundred fifty dollars ($250.00) per acre-foot per year and forty dollars ($40.00) per acre-foot for specified standby water per year (as defined in the contract), plus a surcharge of 15% of the total cost of the firm and standby water which the District must pay to the United States. The fee for specified water shall be paid regardless of whether any water is actually used from the structure in any water year. Firm Municipal and Industrial water may be increased but not decreased if available. Standby Municipal and Industrial water may be increased or decreased if available. If it is determined by August 1 of the year the Water User will not use any or part of the Standby Water the District may use the Water for other purposes. On January 1 of the preceding water year, the District shall bill the Water User the amount due, and the amount shall be due upon receipt. In the event the amount due is not paid by April 1, then this Agreement may be terminated by the District and the Division of Water Resources shall be notified of the termination. The District may adjust the annual fee, minimum fee, and acre-feet fee with notice to the Water User prior to the beginning of any water year.

The Water User is responsible for obtaining any required permits and other approvals to construct the structure and to divert or to use water from the structure. The Division of Water Resources will require a meter on all wells and a measuring device on other structures. The Water User shall be required to read the meter and report water usage as required by the Division of Water Resources and the District. Failure to provide required meter reading shall result in the imposition of a meter-reading fee. In the event the Division of Water Resources requires the manual reading of meters by the District, then the Water User shall pay an annual meter-reading fee.

The Water User agrees not to hold the District responsible for any loss or damage, incurred as a result of the District’s inability to perform due to causes outside of the control of the District, including, but not limited to, acts of God, natural disasters, drought, major equipment failure or malfunction, or changes in Colorado or federal law or policy which make the operation of the Agreement impractical or impossible.

The application fee is one hundred fifty dollars ($150.00) and the transfer fee is fifty dollars ($50.00).

PINE RIVER IRRIGATION DISTRICT: ________________________________

WATER USER (S): ________________________________

Date: ________________________________

Date: ________________________________