

WATER SERVICE SUBCONTRACT
APPROVED BY
BOARD OF DIRECTORS
CENTRAL ARIZONA WATER CONSERVATION DISTRICT
SEPTEMBER 1983

A888.933

WATER SERVICE SUBCONTRACT
APPROVED BY
BOARD OF DIRECTORS
CENTRAL ARIZONA WATER CONSERVATION DISTRICT
SEPTEMBER 1983

Property of
Flood Control District of MC Library
Please Return to
2801 W. Durango
Phoenix, AZ 85009

STANDARD FORM
 WATER SERVICE SUBCONTRACT
 AGRICULTURAL AND M&I WATER

B.C. Draft 6-81
 APO Revised 12-81
 APO Revised 1-82
 APO Revised 8-82
 CAWCD Revised 11-82
 APO Revised 11-82
 B.C. Revised 12-82
 B.C. Revised 3-83
 W.O. Revised 7-83
 CAWCD Revised 9-83

UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF RECLAMATION

SUBCONTRACT AMONG THE UNITED STATES,
 THE CENTRAL ARIZONA WATER CONSERVATION DISTRICT,
 AND THE _____
 PROVIDING FOR WATER SERVICE

CENTRAL ARIZONA PROJECT

Table of Contents

<u>Article</u>	<u>Title</u>	<u>Page</u>
1.	PREAMBLE	3
2.	EXPLANATORY RECITALS	4
3.	DEFINITIONS	5
4.	DELIVERY OF WATER	6
.1	Obligations of the United States	6
.2	Term of Subcontract	6
.3	Conditions Relating to Delivery and Use ...	7
.4	Procedure for Ordering Water	11
.5	Points of Delivery--Measurement and Responsibility for Distribution Water	15
.6	Temporary Reductions	16
.7	Priority in Case of Shortages	17
.8	Secretarial Control of Return Flow	18
.9	Water Acquired by Subcontractor Other Than From the United States	20
.10	Water and Air Pollution Control	22
.11	Quality of Water	22

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

.12	Exchange Water	22
.13	Entitlement to Project M&I Water	23
.14	Entitlement to Project Agricultural Water	24
.15	Delivery of Project Water Prior to Completion of Project Works	25
5.	PAYMENTS	25
.1	Water Service Charges for Payment of Operation, Maintenance, and Replacement Costs	25
.2	M&I Water Service Charges	27
.3	Agricultural Water Service Charges	30
.4	Loss of Entitlement	32
.5	Refusal to Accept Delivery	32
.6	Charge for Late Payments	33
6.	GENERAL PROVISIONS	34
.1	Repayment Contract Controlling	34
.2	Effluent Exchanges	34
.3	Notices	35
.4	Water Conservation Program	35
.5	Rules, Regulations, and Determinations	36
.6	Officials Not to Benefit	37
.7	Assignment Limited--Successors and Assigns Obligated	37
.8	Judicial Remedies Not Foreclosed	37
.9	Books, Records, and Reports	37
.10	Changes in Subcontractor's Geographical Jurisdiction	37
.11	Equal Opportunity	38
.12	Title VI, Civil Rights Act of 1964	39
.13	Confirmation of Subcontract	40
.14	Contingent on Appropriation or Allotment of Funds	41
	Signatory Page	42

STANDARD FORM
WATER SERVICE SUBCONTRACT
AGRICULTURAL AND M&I WATER

B.C. Draft 6-81
APO Revised 12-81
APO Revised 1-82
APO Revised 8-82
CAWCD Revised 11-82
APO Revised 11-82
B.C. Revised 12-82
B.C. Revised 3-83
W.O. Revised 7-83
CAWCD Revised 9-83

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

SUBCONTRACT AMONG THE UNITED STATES
THE CENTRAL ARIZONA WATER CONSERVATION DISTRICT,
AND THE _____
PROVIDING FOR WATER SERVICE

CENTRAL ARIZONA PROJECT

.1 PREAMBLE:

THIS SUBCONTRACT, made this _____ day of _____, 19____, in pursuance generally of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, including but not limited to the Boulder Canyon Project Act of December 21, 1928 (45 Stat. 1057), as amended, the Reclamation Project Act of August 4, 1939 (53 Stat. 1187), as amended, the Reclamation Reform Act of October 12, 1982 (96 Stat. 1263), and particularly the Colorado River Basin Project Act of September 30, 1968 (82 Stat. 885), as amended, all collectively hereinafter referred to as the "Federal Reclamation Laws," among the UNITED STATES OF AMERICA, hereinafter referred to as the "United States" acting through the Secretary of the Interior, the CENTRAL ARIZONA WATER CONSERVATION DISTRICT,

1 hereinafter referred to as the "Contractor," a water conservation
2 district organized under the laws of Arizona, with its principal
3 place of business in Phoenix, Arizona, and the
4 _____, hereinafter referred to as
5 the "Subcontractor," with its principal place of business in
6 _____, Arizona;

7 WITNESSETH, THAT:

8 2. EXPLANATORY RECITALS:

9 WHEREAS, the Colorado River Basin Project Act
10 provides, among other things, that for the purposes of furnishing
11 irrigation and municipal and industrial water supplies to water
12 deficient areas of Arizona and western New Mexico through direct
13 diversion or exchange of water, control of floods, conservation
14 and development of fish and wildlife resources, enhancement of
15 recreation opportunities, and for other purposes, the Secretary
16 of the Interior shall construct, operate, and maintain the
17 Central Arizona Project; and

18 WHEREAS, pursuant to the provisions of Arizona
19 Revised Statutes § 45-2601 et seq., the Contractor has been
20 organized with the power to enter into a contract or contracts
21 with the Secretary of the Interior to accomplish the purposes of
22 Arizona Revised Statutes, § 45-2601 et seq.: and

23 WHEREAS, pursuant to Section 304(b)(1) of the
24 Colorado River Basin Project Act, the Secretary of the Interior
25 has determined that it is necessary to effect repayment of the

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

cost of constructing the Central Arizona Project pursuant to a master contract and that the United States, together with the Contractor, shall be a party to contracts that are in conformity with and subsidiary to the master contract; and

WHEREAS, the United States and the Contractor entered into Contract No. 14-06-W-245 dated December 15, 1972, hereinafter referred to as the "Repayment Contract," a copy of which is attached hereto as Exhibit "A" and by this reference made a part hereof, whereby the Contractor agrees to repay to the United States the reimbursable costs of the Central Arizona Project allocated to the Contractor; and

WHEREAS, the subcontractor is in need of a water supply and desires to subcontract with the United States and the Contractor for water service from water supplies available under the Central Arizona Project; and

WHEREAS, upon completion of the Central Arizona Project, water shall be available for delivery to the Subcontractor;

NOW THEREFORE, in consideration of the mutual and dependent covenants herein contained, it is agreed as follows:

3. DEFINITION:

Definitions included in the Repayment Contract are applicable to this subcontract; Provided, however, that the terms "Agricultural water" or "Irrigation water" shall mean water used for the purposes defined in the Repayment Contract on tracts of

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

land currently served as agricultural units by a Subcontractor. The first letters of terms so defined are capitalized herein. As heretofore indicated, a copy of the Repayment Contract is attached as Exhibit "A."

4. DELIVERY OF WATER:

4.1 Obligations of the United States . Subject to the terms, conditions, and provisions set forth herein and in the Repayment Contract, during such periods as it operates and maintains the Project Works, the United States shall deliver Project Water for _____

(Agricultural and/or M&I and/or Miscellaneous including ground-water recharge) use by the Subcontractor. The United States shall use all reasonable diligence to make available to the Subcontractor the quantity of Project Water specified in the schedule submitted by the Subcontractor in accordance with Article 4.4 After transfer of OM&R to the Operating Agency, the United States shall make deliveries of Project Water to the Operating Agency which shall make subsequent delivery to the Subcontractor as provided herein.

4.2 Term of Subcontract. This subcontract shall become effective upon its confirmation as provided for in Article 6.13 and shall remain in effect for a period of 50 years beginning with the January 1 of the Year following that in which the Secretary issues the Notice of Completion of the Water Supply System; Provided, That this subcontract may be renewed upon

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
written request by the Subcontractor upon terms and conditions of renewal to be agreed upon not later than 1 year prior to the expiration of this subcontract; And Provided further, That such terms and conditions shall be consistent with Article 9.9 of the Repayment Contract.

4.3 Conditions Relating to Delivery and Use.

Delivery and use of water under this subcontract is conditioned on the following, and the Subcontractor hereby agrees that:

(a) All uses of Project Water and Return Flow shall be consistent with Arizona water law.

(b) The system or systems through which water for Agricultural, M&I and Miscellaneous (including ground-water recharge) purposes is conveyed after delivery to the Subcontractor shall consist of pipelines, canals, distribution systems, or other conduits provided and maintained with linings adequate in the Contracting Officer's judgment to prevent excessive conveyance losses.

(c) The Subcontractor shall not pump, or within its legal authority, permit others to pump ground water from within the exterior boundaries of the Subcontractor's service area, which has been delineated on a map filed with the Contractor and approved by the Contractor and the Contracting Officer, for use outside of said service area unless such pumping is permitted under Title 45, Chapter 2, Arizona Revised Statutes, as it may be amended from time to time, and the Contracting

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
Officer, the Contractor, and the Subcontractor shall agree, or shall have previously agreed, that a surplus of ground water exists and drainage is or was required; Provided, however, That such pumping may be approved by the Contracting Officer and the Contractor, and approval shall not be unreasonably withheld, upon submittal by the Subcontractor of a written certification from the Arizona Department of Water Resources or its successor agency that the pumping and transportation of ground water is in accord with Title 45, Chapter 2, Arizona Revised Statutes, as it may be amended from time to time, and if such pumping is in accord with the Basin Project Act.

(d) The Subcontractor shall not sell or otherwise dispose of or permit the sale or other disposition of any Project Water for use outside of Maricopa, Pinal and Pima Counties; Provided, however, That this does not prohibit exchanges of Project Water covered by separate agreements.

(e) (i) Project Water scheduled for delivery in any Year under this subcontract may be used by the Subcontractor or resold or exchanged by the Subcontractor pursuant to appropriate agreements approved by the Contracting Officer and the Contractor. If said water is resold or exchanged by the Subcontractor for an amount in excess of that which the Subcontractor is obligated to pay under this subcontract, the excess amount shall be paid forthwith by the Subcontractor to the Contractor for application against the Contractor's Repayment

Obligation to the United States; Provided, however, That the Subcontractor shall be entitled to recover actual costs of transportation, treatment, and distribution, including but not limited to capital costs and OM&R costs.

(ii) Project Water scheduled for delivery in any year under this subcontract that cannot be used, resold, or exchanged by the Subcontractor may be made available by the Contracting Officer and Contractor to other users. If such Project Water is sold to or exchanged with other users, the Subcontractor shall be relieved of its payments hereunder only to the extent of the amount paid to the Contractor by such other users, but not to exceed the amount the Subcontractor is obligated to pay under this subcontract for said water.

(iii) In the event the Subcontractor or the Contracting Officer and the Contractor are unable to sell any portion of the Subcontractor's Project Water scheduled for delivery and not required by the Subcontractor, the Subcontractor shall be relieved of the pumping energy portion of the OM&R charges associated with the undelivered water as determined by the Contractor.

(f) Unless and until otherwise provided by Congress, Project Water shall not be made available directly or indirectly for the irrigation of lands in the Subcontractor's service area which the Secretary determines were not irrigated during the period September 30, 1958, to September 30, 1968,

except where otherwise determined by the Secretary for efficiency of the Subcontractor's operation.

(g) Agricultural Water shall be made available only for the irrigation of eligible lands. "Eligible lands" shall mean those lands which were irrigated during the period of September 30, 1958, to September 30, 1968, which may legally be irrigated pursuant to Title 45, Chapter 2, Arizona Revised Statutes, as it may be amended from time to time. Said eligible lands are shown on the map which is attached hereto as Exhibit "B" and by this reference made a part hereof.

(h) Agricultural Water shall not be made available to the Subcontractor until there are in effect measures which are adequate in the judgment of the Contracting Officer and the Contractor to control expansion of irrigation from aquifers affected by irrigation in the Subcontractor's service area and to reduce pumping of ground water in the Subcontractor's service area by the amount of Project Agricultural Water received.

(i) Subject to the prior approval of the Contracting Officer and the Contractor, which approval shall not be unreasonably withheld, Agricultural Water made available hereunder for eligible lands may be converted to M&I purposes if and to the extent that such water is no longer required by the Subcontractor for irrigation purposes and shall be converted in all cases where eligible lands receiving Project Agricultural Water have been converted to M&I use; Provided, That the water

converted from irrigation to M&I purposes as a result of the conversion of eligible lands to M&I uses shall be used only for M&I purposes within the service area of the entity responsible for serving the converted lands. Such conversion of water use for eligible lands shall be at the rate of 1 acre-foot per acre minus the average annual surface water supply for said acre which was available for use during the 1958-1976 period as determined by the Contracting Officer. Conversion of water from agricultural to M&I purposes shall take effect only upon execution or amendment of an appropriate subcontract among the United States, the Contractor, and the M&I user. All Project Water converted from agricultural to M&I use shall be delivered at the same water service charge per acre-foot as other M&I Water and with the same priority as other Project M&I Water; Provided, That the Contractor's charge to the Subcontractor for water service shall be adjusted to reflect the conversion to M&I uses.

4.4 Procedure for Ordering Water.

(a) At least 15 months prior to the date the Secretary expects to issue the Notice of Completion of the Water Supply System, or as soon thereafter as is practicable, the Contracting Officer shall announce by written notice to the Contractor the amount of Project Water available for delivery during the Year in which said Notice of Completion is issued (initial Year of water delivery) and during the following Year. Within 30 days of receiving such notice, the Contractor shall

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

issue a notice of availability of Project Water to the Subcontractor. The Subcontractor shall, within a reasonable period of time as determined by the Contractor, submit a written schedule to the Contractor and the Contracting Officer showing the quantity of water desired by the Subcontractor during each month of said initial Year and the following Year. The Contractor shall notify the subcontractor by written notice of the Contractor's action on the requested schedule within 2 months of the date of receipt of such request.

(b) The amounts, times, and rates of delivery of Project Water to the Subcontractor during each Year subsequent to the Year following said initial Year of water delivery shall be in accordance with a water delivery schedule for that Year. Such schedule shall be determined in the following manner:

(i) On or before June 1 of each Year beginning with the Year following the initial Year of water delivery pursuant to this subcontract, the Contracting Officer shall announce the amount of Project Water available for delivery during the following Year in a written notice to the Contractor. In arriving at this determination, the Contracting Officer, subject to the provisions of the Repayment Contract, shall use his best efforts to maximize the availability and delivery of Arizona's full entitlement of Colorado River water over the term of this subcontract. Within 30 days of receiving said notice, the Contractor shall issue a notice of availability of Project

1 Water to the Subcontractor.

2 (ii) On or before October 1 of each Year
3 beginning with the Year following said initial Year of water
4 delivery, the Subcontractor shall submit in writing to the
5 Contractor and the Contracting Officer a water delivery schedule
6 indicating the amounts of Project Water desired by the
7 Subcontractor during each month of the following Year along with
8 a preliminary estimate of Project Water desired for the
9 succeeding 2 years.

10 (iii) Upon receipt of the schedule, the
11 Contractor and the Contracting Officer shall review it and, after
12 consultation with the Subcontractor, shall make only such
13 modifications to the schedule as are necessary to ensure that the
14 amounts, times, and rates of delivery to the Subcontractor are
15 consistent with the delivery capability of the Project,
16 considering, among other things, the availability of water and
17 the delivery schedules of all subcontractors.

18 (iv) On or before November 15 of each Year
19 beginning with the Year following said initial Year of water
20 delivery, the Contractor shall determine and furnish to the
21 Subcontractor and the Contracting Officer the water delivery
22 schedule for the following Year which shall show the amount of
23 water to be delivered to the Subcontractor during each month of
24 that Year, contingent upon the Subcontractor remaining eligible
25 to receive water under all terms contained herein.

1 (c) The monthly water delivery schedules may be
2 amended upon the Subcontractor's written request to the
3 Contractor. Proposed amendments shall be submitted by the
4 Subcontractor to the Contractor no later than 15 days before the
5 desired change is to become effective, and shall be subject to
6 review and modification in like manner as the schedule. The
7 Contractor shall notify the Subcontractor and the Contracting
8 Officer of its action on the Subcontractor's requested schedule
9 modification within 10 days of the Contractor's receipt of such
10 request.

11 (d) The Contractor and the Subcontractor shall
12 hold the United States, its officers, agents, and employees,
13 harmless on account of damage or claim of damage of any nature
14 whatsoever arising out of or connected with the actions of the
15 Contractor regarding water delivery schedules furnished to the
16 Subcontractor.

17 (e) In no event shall the Contracting Officer
18 or the Contractor be required to deliver to the Subcontractor
19 from the Water Supply System in any one month a total amount of
20 Project Water greater than 11 percent of the Subcontractor's
21 annual entitlement for that Year; Provided, however, That the
22 Contracting Officer may deliver a greater percentage in any month
23 if such increased delivery is compatible with the overall
24 delivery of Project Water to other subcontractors as determined
25 by the Contracting Officer and the Contractor and if the

Subcontractor agrees to accept such increased deliveries.

4.5 Points of Delivery--Measurement and Responsibility for Distribution of Water.

(a) The water to be furnished to the Subcontractor pursuant to this subcontract shall be delivered at turnouts to be constructed by the United States at such point(s) on the Water Supply System as may be agreed upon in writing by the Contracting Officer and the Contractor, after consultation with the Subcontractor.

(b) Unless the United States and the Subcontractor agree by contract to the contrary, the Subcontractor shall construct and install, at its sole cost and expense, connection facilities required to take and convey the water from the turnouts to the Subcontractor's service area. The Subcontractor shall furnish, for approval of the Contracting Officer, drawings showing the construction to be performed by the Subcontractor within the Water Supply System right-of-way 6 months before starting said construction. The facilities may be installed, operated, and maintained on the Water Supply System right-of-way subject to such reasonable restrictions and regulations as to type, location, method of installation, operation and maintenance as may be prescribed by the Contracting Officer.

(c) All water delivered from the Water Supply System shall be measured with equipment furnished and installed

by the United States and operated and maintained by the United States or the Operating Agency. Upon the request of the Subcontractor or the Contractor, the accuracy of such measurements shall be investigated by the Contracting Officer or the Operating Agency, Contractor, and Subcontractor, and any errors which may be mutually determined to have occurred therein shall be adjusted; Provided, That in the event the parties cannot agree on the required adjustment, the Contracting Officer's determination shall be conclusive.

(d) Neither the United States, the Contractor, nor the Operating Agency shall be responsible for the control, carriage, handling, use, disposal, or distribution of Project Water beyond the delivery point(s) agreed to pursuant to Subarticle 4.5 (a). The Subcontractor shall hold the United States, the Contractor, and the Operating Agency harmless on account of damage or claim of damage of any nature whatsoever for which there is legal responsibility, including property damage, personal injury or death arising out of or connected with the Subcontractor's control, carriage, handling, use, disposal, or distribution of such water beyond said delivery point(s).

4.6 Temporary Reductions. In addition to the right of the United States under Subarticle 8.3(a) (iv) of the Repayment Contract temporarily to discontinue or reduce the amount of water to be delivered, the United States or the Operating Agency may, after consultation with the Contractor,

1 temporarily discontinue or reduce the quantity of water to be
2 furnished to the Subcontractor as herein provided for the
3 purposes of investigation, inspection, maintenance, repair; or
4 replacement of any of the Project facilities or any part thereof
5 necessary for the furnishing of water to the Subcontractor, but
6 so far as feasible the United States or the Operating Agency
7 shall coordinate any such discontinuance or reduction with the
8 Subcontractor and shall give the Subcontractor due notice in
9 advance of such temporary discontinuance or reduction, except in
10 case of emergency, in which case no notice need be given.
11 Neither the United States, its officers, agents, and employees,
12 nor the Operating Agency, its officers, agents, and employees,
13 shall be liable for damages when, for any reason whatsoever, any
14 such temporary discontinuance or reduction in delivery of water
15 occurs. If any such discontinuance or temporary reduction
16 results in deliveries to the subcontractor of less water than
17 what has been paid for in advance, the Subcontractor shall be
18 entitled to be reimbursed for the appropriate proportion of such
19 advance payments prior to the date of the Subcontractor's next
20 payment of water service charges or the Subcontractor may be
21 given credit toward the next payment of water charges if the
22 Subcontractor should so desire.

23
24 4.7 Priority in Case of Shortage. Subject to the
25 provisions of Section 304(e) of the Basin Project Act, any
Project Water furnished for non-Indians through Project

1 facilities shall, in the event of shortage thereof, as determined
2 by the Contracting Officer after consultation with the
3 Contractor, be reduced pro rata until exhausted, first for
4 Miscellaneous Water uses and next for Agricultural Water uses
5 before water furnished for non-Indian M&I use is reduced.
6 Thereafter, water for M&I uses shall be reduced pro rata among
7 all non-Indian M&I users. All Project Water converted from
8 agricultural to M&I use shall be delivered with the same priority
9 as other Project M&I Water. Pursuant to the authority vested in
10 the Secretary by the Reclamation Act of 1902 (32 Stat. 388), as
11 amended and supplemented, the Basin Project Act, the Regulations
12 for Implementing the Procedural Provisions of the National
13 Environmental Policy Act (40 CFR Part 1505), and the Implementing
14 Procedures of the U. S. Department of the Interior (516 DM 5.4),
15 the relative priorities between Indian and non-Indian uses will
16 be determined by the Secretary consistent with the allocations
17 published in the Federal Register on March 24, 1983.

18 4.8 Secretarial Control of Return Flow.

19 (a) The Secretary reserves the right to capture
20 all Return Flow flowing from the exterior boundaries of the
21 Contractor's Service Area as a source of supply and for
22 distribution to and use of the Central Arizona Project to the
23 fullest extent practicable. The Secretary also reserves the
24 right to capture for Project use Return Flow which originates or
25 results from water contracted for from the Central Arizona

1 Project within the boundaries of the Contractor's Service Area
2 if, in his judgment, such Return Flow is not being put to a
3 beneficial use. The Subcontractor may recapture and reuse or
4 sell its Return Flow; Provided, however, That such Return Flow
5 may not be sold for use outside Maricopa, Pinal and Pima
6 Counties. The Subcontractor shall, at least 60 days in advance
7 of any proposed sale of such water, furnish the following
8 information in writing to the Contracting Officer and the
9 Contractor:

10 (i) The name and address of the prospective
11 buyer.

12 (ii) The location and proposed use of the
13 Return Flow.

14 (iii) The price to be charged for the Return
15 Flow.

16 (b) The price charged for the Return Flow may
17 cover the cost incurred by the Subcontractor for Project Water
18 plus the cost required to make the Return Flow usable. If the
19 price received for the Return Flow is greater than the costs
20 incurred by the Subcontractor, as described above, the excess
21 amount shall be forthwith returned by the Subcontractor to the
22 Contractor for application against the Contractor's Repayment
23 Obligation to the United States. Costs required to make Return
24 Flow usable shall include but not be limited to capital costs and
25 OM&R costs including transportation, treatment and distribution,

1 and the portion thereof which may be retained by the
2 Subcontractor shall be subject to the advance approval of the
3 Contractor and the Contracting Officer.

4 (c) Any Return Flow captured by the United
5 States and determined by the Contracting Officer and the
6 Contractor to be suitable and available for use by the
7 Subcontractor may be delivered by the United States or Operating
8 Agency to the Subcontractor as a part of water supply for which
9 the Subcontractor subcontracts hereunder and such water shall be
10 accounted and paid for pursuant to the provisions hereof.

11 (d) All capture, recapture, use, reuse and sale
12 of Return Flow under this article shall be in accord with Arizona
13 water law.

14 4.9 Water Acquired by Subcontractor Other Than
15 From the United States.

16 (a) The provisions of Subarticles 6.5(a) and
17 (b) of this subcontract shall not be applicable to or affect
18 non-Project Water or water rights now owned or hereafter acquired
19 by the Subcontractor from sources other than from the United
20 States unless such non-Project Water is transported through
21 distribution facilities of the Subcontractor constructed or
22 financed by the United States. If Project and non-Project Waters
23 are commingled, Subarticles 6.5(a) and (b) of this subcontract
24 shall apply as follows:

25 (i) If Project and non-Project Waters are

1 transported through non-Federally financed distribution
2 facilities, only Project Water is subject to Subarticles 6.5(a)
3 and (b) of this subcontract.

4 (ii) If Project and non-Project Waters
5 are transported through Federally financed distribution
6 facilities, both Project and non-Project Waters are subject to
7 Subarticles 6.5(a) and (b) of this subcontract.

8 (b) With respect to the distribution facilities
9 or portions thereof in which commingling occurs as provided in
10 subarticle (a) (i) hereof, the Subcontractor:

11 (i) Shall install and be responsible for
12 the OM&R of separate outlets from the distribution facilities for
13 nonexcess and excess lands. At the request of the Contracting
14 Officer, the Subcontractor shall be responsible for the
15 installation and OM&R of water measuring equipment at delivery
16 points to excess lands and, further, shall be responsible for the
17 installation and OM&R of similar equipment for measuring the
18 water available to the subcontractor other than from the Central
19 Arizona Project, and the Contracting Officer may check and
20 inspect said equipment at any time; and

21 (ii) Agrees that the quantity of Project
22 Water furnished to it shall be delivered only to eligible lands
23 through the aforesaid outlets. The Subcontractor shall be deemed
24 to be in breach of this Article and Subarticles 6.5(a) and (b) of
25 this subcontract if at any time there is furnished to any excess

1 lands not covered by recordable contracts and served by the
2 distribution facilities, or portions thereof in which commingling
3 occurs, a quantity of water which is greater than that which the
4 Subcontractor has introduced into said system from the supply
5 available other than pursuant to this subcontract.

6 (c) Should breach of this Article and
7 Subarticles 6.5(a) and (b) be determined by the Contracting
8 Officer, there shall be no further delivery of Project Water to
9 the Subcontractor until the Subcontractor is in compliance with
10 such provisions as determined by the Contracting Officer.

11 4.10 Water and Air Pollution Control. The
12 Subcontractor, in carrying out this subcontract, shall comply
13 with all applicable water and air pollution laws and regulations
14 of the United States and the State of Arizona and shall obtain
15 all required permits or licenses from the appropriate Federal,
16 State, or local authorities.

17 4.11 Quality of Water. The operation and
18 maintenance of Project facilities shall be performed in such
19 manner as is practicable to maintain the quality of water made
20 available through such facilities at the highest level reasonably
21 attainable as determined by the Contracting Officer. Neither the
22 United States, the Contractor, nor the Operating Agency warrants
23 the quality of water and is under no obligation to construct or
24 furnish water treatment facilities to maintain or better the
25 quality of water. The Subcontractor waives its right to make a
claim against the Contracting Officer, the Operating Agency, the
Contractor or another Subcontractor because of changes in water
quality caused by the comingling of Project water with other
water.

21 4.12 Exchange Water.

22 (a) Where the Contracting Officer determines
23 the Subcontractor is physically able to receive Colorado River
24 mainstream water in exchange for or in replacement of existing
25 supplies of water from surface sources other than the Colorado

1 River, the Contracting Officer may require that the Subcontractor
2 accept said mainstream water in exchange for or in replacement of
3 said existing supplies pursuant to the provisions of Section
4 304(d) of the Basin Project Act; Provided, however, That a
5 subcontractor on the Project aqueduct shall not be required to
6 enter into exchanges in which existing supplies of water from
7 surface sources are diverted for use by other Subcontractors
8 downstream on the Project aqueduct.

9 (b) If, in the event of shortages, the
10 Subcontractor has yielded water from other surface water sources
11 in exchange for Colorado River mainstream water supplied by the
12 Contractor or the Operating Agency, the Subcontractor shall have
13 first priority against other users supplied with Project Water
14 that have not yielded water from other surface water sources, but
15 only in quantities adequate to replace the water so yielded.

16 4.13 Entitlement to Project M&I Water. For the
17 Year in which the Secretary issues the Notice of Completion of
18 the Water Supply System, the Subcontractor's entitlement to
19 Project Water for M&I uses shall be determined by the Contractor
20 after consultation with the Subcontractor and the Contracting
21 Officer. Commencing with the Year following that in which the
22 Secretary issues the Notice of Completion of the Water Supply
23 System, the Subcontractor is entitled to Project Water for M&I
24 uses as set forth in the following table:
25

Annual		Annual		Annual		Annual
Year	Quantity (Acre-feet)	Year	Quantity (Acre-feet)	Year	Quantity (Acre-feet)	Quantity
1		14		27		39
2		15		28		40
3		16		29		41
4		17		30		42
5		18		31		43
6		19		32		44
7		20		33		45
8		21		34		46
9		22		35		47
10		23		36		48
11		24		37		49
12		25		38		50
13		26				

4.14 Entitlement to Project Agricultural Water.

(a) Commencing with the Year in which the Secretary issues the Notice of Completion of the Water Supply System and for each Year thereafter until the term of this subcontract expires, the Subcontractor's entitlement to Agricultural Water each Year shall be equal to _____ percent of the total supply of Agricultural Water available for delivery from the Project in the same Year; minus the amount of Project Agricultural Water that would have been delivered to eligible lands in the Subcontractor's service area that have been converted to M&I use or have otherwise been removed from irrigation

1 as determined by the Contracting Officer and calculated on the
2 basis of a uniform delivery amount per acre to all eligible lands
3 in the Subcontractor's service area at the time of execution of
4 this subcontract; plus _____ percent of the sum of deductions
5 made in all subcontractors' entitlements to reflect removal of
6 eligible lands from agricultural use; Provided, however, That
7 after consultation with the Subcontractor, the Contracting
8 Officer may, from time to time, adjust said percent of the sum of
9 deductions as he determines necessary to more accurately reflect
10 the Subcontractor's equitable share of such water.

11 (b) The Subcontractor shall also have first
12 right of refusal to not less than _____ percent of all
13 Agricultural water which is available for delivery to
14 Subcontractors that was not otherwise contracted for by the
15 entities to which such water was first made available.

16 4.15 Delivery of Project Water Prior to Completion
17 of Project Works. Prior to the date of issuance of the Notice of
18 Completion of the Water Supply System by the Secretary, water may
19 be made available for delivery by the Secretary on a "when
20 available" basis at a water rate and other terms to be determined
21 by the Secretary after consultation with the Contractor.

22 5. PAYMENTS:

23 5.1 Water Service Charges for Payment of
24 Operation, Maintenance, and Replacement Costs. Subject to the
25 provisions of Article 5.5 hereof, the Subcontractor shall pay in

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

advance for Project OM&R costs estimated to be incurred by the United States or the Operating Agency. At least 15 months prior to first delivery of Project Water, or as soon thereafter as is practicable, the Contractor shall furnish the Subcontractor with an estimate of the Subcontractor's share of OM&R costs to the end of the initial Year of water delivery and an estimate of such costs for the following Year within a reasonable time of the receipt of said estimates, as determined by the Contractor, but prior to the delivery of water, the Subcontractor shall advance to the Contractor its share of such estimated costs to the end of the initial month of water delivery and without further notice or demand shall on or before the first day of each succeeding month of the initial Year of water delivery and the following Year advance to the Contractor in equal monthly installments the Subcontractor's share of such estimated costs. Advances of monthly payments for each subsequent Year shall be made by the Subcontractor to the Contractor on the basis of annual estimates to be furnished by the Contractor on or before June 1 preceding each said subsequent Year and the advances of payments for said estimated costs shall be due and payable in equal monthly payments on or before the first day of each month of the subsequent Year. Differences between actual OM&R costs and estimated OM&R costs shall be determined by the Contractor and shall be adjusted in the next succeeding annual estimates; Provided, however, That if in the opinion of the Contractor the

1 amount of any annual OM&R estimate is likely to be insufficient
2 to cover the above-mentioned costs during such period, the
3 Contractor may increase the annual estimate of the
4 Subcontractor's OM&R costs by written notice thereof to the
5 Subcontractor, and the Subcontractor shall forthwith increase its
6 remaining monthly payments in such Year to the Contractor by the
7 amount necessary to cover the insufficiency. All estimates of
8 OM&R costs shall be accompanied by data and computations relied
9 on by the Contractor in determining the amounts of the estimated
10 OM&R costs and shall be subject to joint review by the
11 Subcontractor and the Contractor.

12 5.2 M&I Water Service Charges.

13 (a) Subject to provisions of Article 5.5 hereof
14 and in addition to the OM&R payments required in Article 5.1
15 hereof, the Subcontractor shall, in advance of the delivery of
16 Project M&I Water by the United States or the Operating Agency,
17 make payment to the Contractor in equal semiannual installments
18 of a M&I Water service capital charge of \$_____ for each
19 acre-foot of M&I Water scheduled for delivery to the
20 Subcontractor during that Year pursuant to the provisions of
21 Article 4.4 and 4.13 hereof; Provided, That subject to the
22 availability of M&I Water and pursuant to the delivery schedule
23 for M&I Water developed in Article 4.4, the Subcontractor shall
24 pay for 85 percent of the annual quantity set forth in Article
25 4.13 or the Subcontractor shall pay for the quantity scheduled

1 for delivery pursuant to Article 4.4, whichever quantity is
2 greater. When M&I Water is not available for delivery to meet
3 the annual quantity shown in Article 4.13 and pursuant to the
4 delivery schedule developed under Article 4.4, the Subcontractor
5 shall be required to pay only for the quantity that is available,
6 all as determined by the Contractor. The M&I Water service
7 capital charge may be adjusted periodically by the Contractor as
8 a result of repayment determinations provided for in the
9 Repayment Contract and to reflect all sources of revenue, but
10 said charge per acre-foot shall not be greater than the amount
11 required to amortize Project capital costs allocated to the M&I
12 function and determined by the Contracting Officer to be a part
13 of the Contractor's Repayment Obligation. Such amortization
14 shall include interest at 3.342 percent per annum. If any
15 adjustment is made in the M&I Water service capital charge,
16 notice thereof shall be given by the Contractor to the United
17 States and to the Subcontractor on or before June 1 of the Year
18 preceding the Year the adjusted charges becomes effective. The
19 M&I Water service capital charge payment for the quantity of
20 water available for the Subcontractor for the balance of the
21 initial Year of water delivery shall be advanced to the
22 Contractor prior to commencement of delivery of water.
23 Thereafter, for each subsequent Year, payments by the
24 Subcontractor in accordance with the foregoing provisions shall
25 be made in equal semiannual installments on or before the

1 December 1 preceding said subsequent Year and the June 1 of said
2 subsequent Year as may be specified by the Contractor in written
3 notices to the Subcontractor.

4 (b) Payment of all M&I Water service capital and
5 corresponding OM&R charges becoming due hereunder prior to or on
6 the dates stipulated in Articles 5.1 and 5.2 is a condition
7 precedent to receiving M&I Water under this subcontract.

8 (c) All payments to be made to the Contractor or
9 the United States under Articles 5.1 and 5.2 hereof shall be made
10 by the Subcontractor as such payments fall due from revenues
11 legally available to the Subcontractor for such payment from the
12 sale of water to its water users and from any and all other
13 sources which might be legally available; Provided; That no
14 portion of the general taxing authority of the Subcontractor, nor
15 its general funds, nor funds from ad valorem taxes are obligated
16 by the provisions of this Subcontract, nor shall such sources be
17 liable for the payments, contributions and other costs pursuant
18 to this Subcontract, or to satisfy any obligations hereunder
19 unless duly and lawfully allocated and budgeted for such purpose
20 by the Subcontractor for the applicable budget year; and
21 Provided, further, That no portion of this agreement shall ever
22 be construed to create an obligation superior in lien to or on a
23 parity with the Subcontractors revenue bonds now or hereafter
24 issued. The Subcontractor shall levy and impose such necessary
25 water service charges and rates and use all of the authority and

1 resources available to it to collect all such necessary water
2 service charges and rates in order that the Subcontractor may
3 meet its obligations hereunder and make in full all payments
4 required under this Subcontract on or before the date such
5 payments become due.

6 (d) If deliveries of Project M&I Water to the
7 Subcontractor are less than that which has been paid for in
8 advance, the Subcontractor shall be entitled to be reimbursed by
9 the Contractor for the appropriate portion of such advance
10 payments prior to the date of the next payment of water service
11 charges.

12 5.3 Agricultural Water Service Charges.

13 (a) Subject to the provisions of Article 5.5
14 hereof and in addition to the OM&R payments required in Article
15 5.1 hereof, the

16 Note: Subarticle 5.2(d) will be deleted for those subcontractors
17 which are the final consumer of the water and Subarticle 5.2(e)
18 will be relabeled Subarticle 5.2(d).

19 Subcontractor shall, in advance of the delivery of Project
20 Agricultural Water by the United States of the Operating Agency,
21 make payments to the Contractor in equal semiannual installments
22 of an Agricultural Water service capital charge of \$ _____
23 for each acre-foot of Agricultural Water scheduled for delivery
24 to the Subcontractor pursuant to the provisions of Articles 4.4
25 and 4.14 hereof. The Agricultural Water service capital charge
payment for the quantity of water available for the Subcontractor

1 for the balance of the initial Year of water delivery shall be
2 advanced to the Contractor prior to commencement of delivery of
3 water. Thereafter, for each subsequent Year, payments by the
4 Subcontractor shall be made in equal semiannual installments on
5 or before the December 1 preceding said subsequent Year and the
6 June 1 of said subsequent Year as may be specified by the
7 Contractor in written notices to the Subcontractor.

8 (b) The Agricultural Water service capital
9 charge may be adjusted periodically to reflect changes in
10 repayment ability as determined by the Contracting Officer after
11 consultation with the Contractor and Subcontractor. Any changes
12 in the capital charge shall be announced by the Contractor on or
13 before June 1 of the Year preceding the Year in which payable.

14 (c) The obligation of the Subcontractor to pay
15 Agricultural Water service capital charges and corresponding OM&R
16 charges to the Contractor as provided in Articles 5.1 and 5.3
17 hereof is a general obligation of the Subcontractor
18 notwithstanding the manner in which the obligation may be
19 distributed among the Subcontractor's water users and
20 notwithstanding the default of individual water users in their
21 obligations to the Subcontractor.

22 (d) Payment of all Agricultural Water service
23 capital and corresponding OM&R charges becoming due hereunder
24 prior to or on the dates stipulated in Articles 5.1 and 5.3 is a
25 condition precedent to delivery of Agricultural Water under this

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

subcontract.

(e) The Subcontractor shall not furnish Agricultural Water made available pursuant to this subcontract to parties which are in arrears in the payment of charges as levied or established by the Contractor.

(f) If deliveries of Project Agricultural Water to the Subcontractor are less than that which has been paid for in advance, the Subcontractor shall be entitled to be reimbursed by the Contractor for the appropriate portion of such advance payments prior to the date of the Subcontractor's next payment of water service charges.

5.4 Loss of Entitlement. The Subcontractor shall have no right to delivery of water from Project facilities during any period in which the Subcontractor may be in arrears in the payment of any charges due the Contractor. The Contractor may sell to another entity any water determined to be available under the Subcontractor's entitlement for which payment is in arrears; Provided, however, That the Subcontractor may regain the right to use any unsold portion of the water determined to be available under the original entitlement upon payment of all delinquent charges plus any difference between the subcontractual obligation and the price received in the sale of the water by the Contractor and payment of charges for the current period.

5.5 Refusal to Accept Delivery. In the event the Subcontractor fails or refuses in any Year to accept delivery of

1 the quantity of water available for delivery to and required to
2 be accepted by it pursuant to this subcontract, or in the event
3 the Subcontractor in any Year fails to submit a schedule for
4 delivery as provided in Article 4.4 hereof, said failure or
5 refusal shall not relieve the Subcontractor of its obligation to
6 make the payments required in this subcontract. The
7 Subcontractor agrees to make payment for available water which is
8 refused in the same manner as if said water were scheduled for
9 delivery to and accepted by it in accordance with this
10 subcontract except as provided in Subarticle 4.3(e) and Article
11 5.2; Provided, however, That is the Subcontractor shall require
12 Distribution Works constructed pursuant to Section 309(b) of the
13 Basin Project Act, as amended, to transport water from the
14 Central Arizona Project aqueduct to the point of treatment or
15 use, then the Subcontractor shall not be required to pay capital
16 or OM&R charges until January 1, 1990, or until such time as the
17 Subcontractor begins taking Project Water through the
18 Distribution Works constructed pursuant to a repayment contract
19 under the aforementioned Act, whichever comes first.

20 5.6 Charge for Late Payments. The subcontractor
21 shall pay a late payment charge on installments or charges which
22 are received after the due date. The late payment charge
23 percentage rate calculated by the Department of the Treasury and
24 published quarterly in the Federal Register shall be used;
25 Provided, That the late payment charge percentage rate shall not
be less than 0.5 percent per month. The late payment charge
percentage rate applied on an overdue payment shall remain in
effect until payment is received. The late payment rate for a
30-day period shall be determined on the day immediately
following the due date and shall be applied to the overdue
payment for any portion of the 30-day period of delinquency. In

1 the case of partial late payments, the amount received shall
2 first be applied to the late charge on the overdue payment and
3 then to the overdue payment.

4 6. GENERAL PROVISIONS:

5 6.1 Repayment Contract Controlling. Pursuant to the
6 Repayment Contract, the United States has agreed to construct
7 and, in the absence of an approved Operating Agency, to operate
8 and maintain the works of the Central Arizona Project and to
9 deliver Project Water to the various subcontractors within the
10 Project Service Area; and the Contractor has obligated itself for
11 the payment of various costs, expenses, and other amounts
12 allocated to Contractor pursuant to Article 9 of the Repayment
13 Contract. The Subcontractor expressly approves and agrees to all
14 the terms presently set out in the Repayment Contract including
15 Subarticle 8.8(b)(viii) thereof, or as such terms may be
16 hereafter amended, and agrees to be bound by the actions to be
17 taken and the determinations to be made under that Repayment
18 Contract, except as otherwise provided herein.

19 6.2 Effluent Exchanges. The Subcontractor may enter
20 into direct effluent exchange agreements with Indian entities
21 which have received an allocation of Project Water and receive
22 all benefits from the exchange. If the Subcontractor chooses to
23 exchange directly with the Indians, then the Subcontractor's
24 entitlement to Project Water shall be reduced by the amount of
25 Project Water received in exchange by the Subcontractor. The
Subcontractor may also offer raw sewage or effluent to the

14 Contractor for the purpose of exchanging such sewage or effluent
15 for the benefit of all subcontractors. If such an exchange is
16 consummated, the Subcontractor's entitlement to Project Water
17 shall remain at the level specified in Article 4.13. A copy of
18 the above referenced agreements shall be filed with the
19 Contractor and the Contracting Officer.

20
21 6.3 Notices. Any notice, demand or request
22 authorized or required by this subcontract shall be deemed to
23 have been given when mailed, postage prepaid, or delivered to the
24 Regional Director, Lower Colorado Region, Bureau of Reclamation,
25 P. O. Box 427, Boulder City, Nevada 89005, on behalf of the
Contractor or Subcontractor; to the Central Arizona Water
Conservation District, Suite 706, 111 West Monroe, Phoenix,
Arizona 85003, on behalf of the United States or Subcontractor;
and to the _____ on behalf of the
United States or Contractor. 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.

26 6.4 Water Conservation Program.

27 (a) While the contents and standards of a given
28 water conservation program are primarily matters of State and
29 local determination, there is a strong Federal interest in
30 developing an effective water conservation program because of
31 this subcontract. The Subcontractor shall develop and implement
32 an effective water conservation program for all uses of water
33 which is provided from or conveyed through Federally constructed
34 or Federally financed facilities. That water conservation
35 program shall contain definite goals, appropriate water
conservation measures, and time schedules for meeting the water
conservation objectives.

36 (b) A water conservation program, acceptable to
37 the Contractor and the Contracting Officer, shall be in existence
38 prior to one or all of the following: (1) service of Federally
39 store/conveyed water; (2) transfer of operation and maintenance
40 of the Project facilities to the Contractor or Operating Agency;
41 or (3) transfer of the Project to an operation and maintenance
42 status. The distribution and use of Federally stored/conveyed
43 water and/or the operation of Project facilities transferred to
44 the Contractor shall be consistent with the adopted water
45 conservation program. Following execution of this subcontract,
and at subsequent 5-year intervals, the Subcontractor shall

1 resubmit the water conservation plan to the Contractor and the
2 Contracting Officer for review and approval. After review of the
3 results of the previous 5 years and after consultation with the
4 Contractor and Subcontractor, the Contracting Officer in
5 agreement with the Arizona Department of Water Resources may
6 require modifications in the water conservation program to better
7 achieve program goals; Provided, however, That the Contracting
8 Officer shall not require any modification which is inconsistent
9 with management plans developed by the Arizona Department of
10 Water Resources under Title 45, Chapter 2, Arizona Revised
11 Statutes, as it may be amended from time to time.

7 6.5 Rules, Regulations, and Determinations.

8 (a) The parties agree that the delivery of
9 agricultural water pursuant to the subcontract is subject to the
10 acreage and ownership limitation and pricing provisions of
11 Reclamation law, as amended and supplemented, including but not
12 limited to the Reclamation Reform Act of 1982 (Public Law
13 97-293).

14 (b) The Subcontractor and the Contractor further
15 agree to abide by final rules and regulations promulgated by the
16 Secretary of the Interior covering the enforcement and
17 administration of said limitations and provisions of Reclamation
18 law as supplemented by the Reclamation Reform Act of 1982,
19 including the payment of full costs as provided therein.

20 (c) The Contracting Officer shall have the right
21 to make, after an opportunity has been offered to the Contractor
22 and Subcontractor for consultation, rules and regulations
23 consistent with the provisions of this subcontract, the laws of
24 the United States and the State of Arizona, to add to or to
25 modify them as may be deemed proper and necessary to carry out
this subcontract, and to supply necessary details of its
administration which are not covered by express provisions of
this subcontract. The Contractor and Subcontractor shall observe
such rules and regulations.

(d) Where the terms of this subcontract provide
for action to be based upon the opinion or determination of any
party to this subcontract, whether or not stated to be
conclusive, said terms shall not be construed as permitting such
action to be predicated upon arbitrary, capricious, or
unreasonable opinions or determinations. In the event that the
Contractor or Subcontractor questions any factual determination
made by the Contracting Officer, the findings as to the facts
shall be made by the Secretary only after consultation with the
Contractor or Subcontractor and shall be conclusive upon the
parties.

1 6.6 Officials Not to Benefit.

2 (a) No Member of or Delegate to Congress or
3 Resident Commissioner shall be admitted to any share or part of
4 this subcontract or to any benefit that may arise herefrom. This
5 restriction shall not be construed to extend to this subcontract
6 if made with a corporation or company for its general benefit.

7 (b) No official of the Subcontractor shall
8 receive any benefit that may arise by reason of this subcontract
9 other than as a water user within the Project and in the same
10 manner as other water users within the Project.

11 6.7 Assignment Limited--Successors and Assigns
12 Obligated.

13 The provisions of this subcontract shall apply to
14 and bind the successors and assigns of the parties hereto, but no
15 assignment or transfer of this subcontract or any part or
16 interest therein shall be valid until approved by the Contracting
17 Officer.

18 6.8 Judicial Remedies Not Foreclosed. Nothing
19 herein shall be construed (a) as depriving any party from
20 pursuing and prosecuting any remedy in any appropriate court of
21 the United States or the State of Arizona which would otherwise
22 be available to such parties even though provisions herein may
23 declare that determinations or decisions of the Secretary or
24 other persons are conclusive or (b) as depriving any party of any
25 defense thereto which would otherwise be available.

 6.9 Books, Records, and Reports. The Subcontractor
shall establish and maintain accounts and other books and records
pertaining to its financial transactions, land use and crop
census, water supply, water use, changes of Project works, and to
other matters as the Contracting Officer may require. Reports
thereon shall be furnished to the Contracting Officer in such
form and on such date or dates as he may require. Subject to
applicable Federal laws and regulations, each party shall have
the right during office hours to examine and make copies of each
other's books and records relating to matters covered by this
subcontract.

 6.10 Changes in Subcontractor's Geographical
Jurisdiction. While this subcontract is in effect, no changes

1 shall be made in the Subcontractor's geographical jurisdiction,
2 by inclusion or exclusion of lands, by dissolution,
3 consolidation, merger or otherwise, except upon the Contracting
4 Officer's written consent.

5 6.11 Equal Opportunity.

6 During the performance of this subcontract, the
7 Subcontractor agrees as follows:

8 (a) The Subcontractor shall not discriminate
9 against any employee or applicant for employment because of
10 race, color, religion, sex, or national origin. The
11 Subcontractor shall take affirmative action to ensure that
12 applicants are employed, and that employees are treated during
13 employment without regard to their race, color, religion, sex, or
14 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 Subcontractor agrees to
post in conspicuous places, available to employees and applicants
for employment, notices to be provided setting forth the
provisions of this nondiscrimination clause.

15 (b) The subcontractor shall, in all solicitations
16 or advertisements for employees placed by or on behalf of the
17 Subcontractor, state that all qualified applicants shall receive
consideration for employment without discrimination because of
race, color, religion, sex, or national origin.

18 (c) The Subcontractor shall send to each labor
19 union or representative of workers with which it has a collective
20 bargaining agreement or other contract or understanding, a
21 notice, to be provided by the Contracting Officer, advising said
22 labor union or workers' representative of the Subcontractor'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.

23 (d) The Subcontractor shall comply with all
24 provisions of Executive Order No. 11246 of September 24, 1965, as
25 amended, and of the rules, regulations, and relevant orders of
the Secretary of Labor.

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

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

19 (g) The Subcontractor shall include the
20 provisions of paragraphs (a) through (g) in every subcontract or
21 purchase order unless exempted by the rules, regulations, or
22 orders of the Secretary of Labor issued pursuant to Section 204
23 of said amended Executive Order, so that such provisions shall be
24 binding upon each subcontractor or vendor. The Subcontractor
25 shall 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 a
Subcontractor becomes involved in, or is threatened with,
litigation with a subcontractor or vendor as a result of such
direction, the Subcontractor may request the United States to
enter into such litigation to protect the interest of the United
States.

6.12 Title VI, Civil Rights Act of 1964.

20 (a) The Subcontractor agrees that it shall
21 comply with Title VI of the Civil Rights Act of July 2, 1964 (78
22 Stat. 241), and all requirements imposed by or pursuant to the
23 Department of the Interior Regulation (43 CFR 17) issued pursuant
24 to that title, to the end that, in accordance with Title VI of
25 that Act and the Regulation, no person in the United States
shall, on the ground of race, color, or national origin be
excluded from participation in, be denied the benefits of, or be
otherwise subjected to discrimination under any program or
activity for which the Subcontractor receives financial
assistance from the United States and hereby gives assurance that
it shall immediately take any measures to effectuate this

1 agreement.

2 (b) If any real property or structure thereon is
3 provided or improved with the aid of Federal financial assistance
4 extended to the Subcontractor by the United States, this
5 assurance obligates the Subcontractor, or in the case of any
6 transfer of such property, any transferee for the period during
7 which the real property or structure is used for a purpose
8 involving the provision of similar services or benefits. If any
9 personal property is so provided, this assurance obligates the
10 Subcontractor for the period during which it retains ownership or
11 possession of the property. In all other cases, this assurance
12 obligates the Subcontractor for the period during which the
13 Federal financial assistance is extended to it by the United
14 States.

15 (c) This assurance is given in consideration of
16 and for the purpose of obtaining any and all Federal grants,
17 loans, contracts, property, discounts, or other Federal financial
18 assistance extended after the date hereof to the Subcontractor by
19 the United States, including installment payments after such date
20 on account of arrangements for Federal financial assistance which
21 were approved before such date. The Subcontractor recognizes and
22 agrees that such Federal financial assistance shall be extended
23 in reliance on the representations and agreements made in this
24 assurance, and that the United States shall reserve the right to
25 seek judicial enforcement of this assurance. This assurance is
binding on the Subcontractor, its successors, transferees, and
assignees.

6.13 Confirmation of Subcontract. The obligations
of the United States pursuant to this subcontract shall be
contingent upon its authorization or ratification by the
qualified electors of the Subcontractor at an election held for
that purpose. The Subcontractor shall furnish the Contracting
Officer and the Contractor with a copy of the results of such
election. The Subcontractor, after authorization or ratification
by election and upon the execution of this subcontract, shall
promptly seek a final decree of the proper court of the State of
Arizona approving and confirming the subcontract and decreeing

1 and adjudging it to be lawful, valid, and binding on the
2 Subcontractor. The Subcontractor shall furnish to the United
3 States a certified copy of such decree and of all pertinent
4 supporting records. This subcontract shall not be binding on the
5 United States, the Contractor, or the Subcontractor until such
6 final decree has been entered.

7 6.14 Contingent on Appropriation or Allotment of
8 Funds. The expenditure or advance of any money or the
9 performance of any work by the United States hereunder which may
10 require appropriation of money by the Congress or the allotment
11 of funds shall be contingent upon such appropriation or allotment
12 being made. The failure of the Congress to appropriate funds or
13 the absence of any allotment of funds shall not relieve the
14 Subcontractor from any obligation under this subcontract. No
15 liability shall accrue to the United States in case such funds
16 are not appropriated or allotted.
17
18
19
20
21
22
23
24
25

IN WITNESS WHEREOF, the parties hereto have
executed this subcontract No. _____ the day and year,
first above-written.

Legal Review and Approval

THE UNITED STATES OF AMERICA

By: _____
Field Solicitor
Phoenix, Arizona

By: _____
Regional Director
Lower Colorado Region
Bureau of Reclamation

CENTRAL ARIZONA WATER
CONSERVATION DISTRICT

Attest: _____
Secretary

By: _____

Title: _____

Attest: _____

By: _____

Title: _____