

PINE RIVER Irrigation

RECEIVED

BUREAU OF RECLAMATION Law 533 - 83d Congress
SALT LAKE CITY, UTAH Chapter 578 - 2d Session
AUG 10 1954 H. R. 7466

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AN ACT

All 68 Stat. 534.

To authorize the Secretary of the Interior to execute an amendatory repayment contract with the Pine River Irrigation District, Colorado, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the reimbursable construction cost of the Pine River reclamation project, Colorado, is hereby fixed at \$1,500,000, and the Secretary of the Interior is authorized to execute, on behalf of the United States, the amendatory repayment contract negotiated pursuant to section 7 of the Reclamation Project Act of 1939 (53 Stat. 1187, 1192) and approved at an election of the district held November 30, 1953, under which contract the unpaid balance of five-sixths of the reimbursable construction cost of the Pine River project (the remaining one-sixth being properly chargeable to the lands of the Pine River Indian (Southern Ute) project as set out in a memorandum of understanding between the Bureau of Reclamation and the Bureau of Indian Affairs dated January 3, 1940) is repayable by the district in thirty fixed annual installments or, if the district elects to use a variable payment formula as set forth in said contract, in as many installments as may be required to return the portion of the aforesaid balance then remaining unpaid.

Pine River Irrigation District, Colo.
Repayment contract.
43 USC 485r.

Approved July 27, 1954.

Volume 4

July 27, 1954

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AMENDED CONTRACT WITH PINE RIVER IRRIGATION DISTRICT

An act to authorize the Secretary of the Interior to execute an amendatory repayment contract with the Pine River Irrigation District, Colorado, and for other purposes. (Act of July 27, 1954, ch. 578, 68 Stat. 534)

[Pine River Irrigation District, Colo.—Repayment contract.]—The reimbursable construction cost of the Pine River reclamation project, Colorado, is hereby fixed at \$1,500,000, and the Secretary of the Interior is authorized to execute, on behalf of the United States, the amendatory repayment contract negotiated pursuant to section 7 of the Reclamation Project Act of 1939 (53 Stat. 1187, 1192) and approved at an election of the district held November 30, 1953, under which contract the unpaid balance of five-sixths of the reimbursable construction cost of the Pine River project (the remaining one-sixth being properly chargeable to the lands of the Pine River Indian (Southern Ute) project as set out in a memorandum of understanding between the Bureau of Reclamation and the Bureau of Indian Affairs dated January 3, 1940) is repayable by the district in thirty fixed annual installments or, if the district elects to use a variable payment formula as set forth in said contract, in as many installments as may be required to return the portion of the aforesaid balance then remaining unpaid. (68 Stat. 534)



EXPLANATORY NOTES

Not Codified. This Act is not codified in the U.S. Code. Law 533 in the 83d Congress. H.R. Rept. No. 1897. S. Rept. No. 1796.
Legislative History. H.R. 7466, Public

PINE RIVER

4-400

FREE W. R.

WILL-PS-4

AUG 24 1954

Pine River Irrigation District

Oxford, Colorado

Gentlemen:

Enclosed for the files of the District is the duplicate original of the amendatory contract dated November 30, 1953, Symbol and Number Ilr-1204, between the United States and the District.

This contract has been executed on behalf of the United States by Fred G. Landahl, Assistant Secretary of the Interior, and was executed in accordance with the Act of July 27, 1954 (68 Stat. 534).

Very truly yours,

E. Q. Larson

Regional Director

Enclosure

Copy to: Commissioner in dupl.
4-150
4-400
w/o encl.
Area Engr., Durango, Colo. ✓
w/2 conformed copies of encl.



9/7/54

Note:

1 copy filed in bookcase
code 351.7

W. R.

PINE RIVER PROJECT, COLORADO

AMENDATORY CONTRACT
BETWEEN
THE UNITED STATES OF AMERICA
AND
PINE RIVER IRRIGATION DISTRICT
(Symbol IIR-1204)

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

PINE RIVER PROJECT, COLORADO

AMENDATORY CONTRACT BETWEEN THE UNITED STATES OF
AMERICA AND THE PINE RIVER IRRIGATION DISTRICT

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

PINE RIVER PROJECT, COLORADO

AMENDATORY CONTRACT BETWEEN THE UNITED STATES OF AMERICA
AND THE PINE RIVER IRRIGATION DISTRICT

THIS AMENDATORY CONTRACT, Made this 30th day of November, 1953, under the provisions of the Act of Congress of June 17, 1902, (32 Stat. 388) and acts amendatory thereof or supplementary thereto, hereinafter referred to as the Federal Reclamation Law, and particularly the Act of July 27, 1954 (68 Stat. 534), between the UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting through Fred G. Aandahl, Assistant Secretary of the Interior, hereinafter referred to as the Secretary, and the PINE RIVER IRRIGATION DISTRICT, a public corporation, organized under the laws of the State of Colorado, having its principal place of business in Ignacio, Colorado, hereinafter referred to as the District.

WITNESSETH, That

2. WHEREAS, the United States and the District entered into that certain contract dated April 15, 1940, for the construction of the Pine River Project, consisting of the Vallecito Dam and Reservoir and related works, hereinafter referred to as the project works, and for the repayment to the United States by the District of certain expenditures made by the United States in such construction, which contract is hereinafter referred to as the Government-District contract, and

3. WHEREAS, the United States has constructed the project works for the storage of waters of the Pine River, and

4. WHEREAS, the parties hereto desire to fix definitely the portion of the construction cost of the Pine River Project that is to be reimbursable under the Federal Reclamation Laws; to reschedule the annual installments to be paid by the District on such reimbursable cost; and to further amend the Government-District contract, and

5. WHEREAS, the Secretary has determined that in his judgment the provisions of this amendatory contract provide fair and equitable treatment of the repayment problems involved on the Pine River Project, and are in keeping with the general purposes of the Reclamation Project Act of 1939.

6. NOW, THEREFORE, In consideration of the mutual and dependent stipulations and covenants herein contained, it is hereby mutually agreed by and between the parties hereto, as follows:

GOVERNMENT-DISTRICT CONTRACT SUPERSEDED

7. This contract supersedes the Government-District contract described in Article 2 hereof, except as to the provisions of that contract which have been fully executed prior to the date of this contract, which shall remain unaffected hereby.

WORKS CONSTRUCTED BY THE UNITED STATES

8. The United States has heretofore constructed the project works on the Pine River, known as the Pine River Project, for the impounding and storage of water for the irrigation of lands of the District and other lands, and for other purposes.

PAYMENT BY THE DISTRICT OF PART OF
THE REIMBURSABLE COST OF PROJECT

9. It is agreed that the reimbursable construction cost of the project works is \$1,500,000, payable five-sixths, or \$1,250,000, by the

District and one-sixth, or \$250,000 by the Bureau of Indian Affairs as provided in Article 12 hereof. It is further agreed that the District has paid \$187,500 on its construction cost obligation of the Pine River Project. The District agrees to pay the unpaid balance of its construction cost obligation of \$1,062,500 in the manner and on the dates prescribed in Articles 10 and 11 of this amendatory contract.

TERMS OF PAYMENT

10. The District shall pay the sum of \$1,062,500, being the unpaid balance fixed as its part of the reimbursable construction cost of the Pine River Project, in 30 consecutive annual installments as follows: 29 annual installments of \$35,420 and one annual installment of \$35,320. Such installments, which become the base charge, are subject to adjustment by being increased or decreased, as provided in Article 11 hereof. Each such installment shall be due and payable on December 31 of each year commencing on December 31, 1953, notwithstanding approval by Congress and execution of this contract at a date subsequent to December 31, 1953, and shall continue to be due and payable on the same date of each year thereafter until said unpaid indebtedness of \$1,062,500 is paid in full.

ANNUAL INSTALLMENTS TO BE SUBJECT TO INCREASE OR DECREASE

11. On or before March 15, in any year during the repayment period specified in Article 10 hereof, the Board of Directors of the District may, by resolution, direct the President of the District to notify the Secretary in writing that beginning with the next succeeding calendar year the District elects to make payment of its annual installments in accordance with the variable formula herein described, unless another variable formula in accordance with then existing law is agreed upon by the parties hereto, Provided, that once the District notifies the Secretary

of its election to make payment in accordance with the agreed upon variable formula, all annual payments thereafter shall be made in accordance with such formula. On or before September 1 of the year in which the Secretary receives notice of such election by the District and on or before September 1 of every year thereafter during the term of this contract, the Secretary shall determine and announce by written notice to the District the amount of the annual installment which shall be due in the succeeding year. Unless another variable formula is agreed upon, the amount of each adjusted annual installment shall be determined by multiplying the product of the base charge and the price index factor by the agricultural parity ratio, in accordance with the following definitions and limitations:

(1) The "base charge" shall be the amount specified as the annual installment in Article 10 of this contract.

(2) The "price index factor" is that number determined by dividing the United States index of prices received by farmers on June 15 of the year in which the annual installment notice is given by 215, the projected long term price level index, or such other long term price level index as the Secretary may determine.

(3) The "agricultural parity ratio" used is the United States agricultural parity ratio on June 15 of the year in which the annual installment notice is given.

(4) The formula for calculating the adjusted annual installment due each year would be as follows:

$$\text{Base Charge} \times \frac{\text{United States index of prices received by farmers on June 15 of notice year}}{\text{Projected long-term price level index}} \times \frac{\text{United States agricultural parity ratio on June 15 of notice year}}{\text{United States agricultural parity ratio on June 15 of notice year}} = \text{Adjusted annual installment}$$

Provided, however, that no adjusted annual installment shall be more than 200 per cent of the "base charge" nor less than 15 per cent of the "base charge."

(5) The United States indices of prices received by farmers and United States agricultural parity ratios to be used in the foregoing computations shall be those determined and published by the Secretary of Agriculture under the provisions of Title II of the Agricultural Act of 1948 (Public Law 897, 80th Congress, 2d Session), as amended, or as it may be amended from time to time. If the commodity price indices and parity ratios, which are basic to the determination of the annual installment by the above formula, are not available for any year, the annual installment due under this contract shall be the payment as specified in Article 10 of this contract, or as determined in accordance with such other variable formula as is agreed upon.

PAYMENT BY BUREAU OF INDIAN AFFAIRS
OF PART OF REIMBURSABLE COST OF PROJECT

12. The United States agrees that the District shall have no responsibility or obligation with respect to the payment of one-sixth of the reimbursable construction cost obligation of the Pine River Project and agrees that said one-sixth, or \$250,000, shall be repayable by the

Bureau of Indian Affairs as provided in that certain Memorandum of Understanding between the Bureau of Reclamation and the Office of Indian Affairs dated January 3, 1940. It is agreed that the annual water supply of said Pine River Project is to be divided and used by the District lands and the lands of the Pine River Indian (Southern Ute) Project in the manner provided in that Memorandum of Understanding which was accepted by the District by that certain agreement dated January 3, 1940, between the United States and the District, hereinafter referred to as the Indian-Reclamation-District contract.

DISTRICT TO HAVE USE AND BENEFIT OF RESERVOIR

13. So long as the District pays without default the charges herein provided and complies with the terms and conditions of this contract, the United States will allow the District, subject to the provisions of Article 12 hereof, the use and benefit of the project water supply including the water stored in said reservoir, and seepage and return flow water derived from the use of such stored water for the purpose of supplying the lands of the District, the said water to be conveyed through the canals of the District without cost or expense to the United States.

DISTRICT TO CONTRACT WITH OWNERS OF EXISTING DITCHES

14. The District will enter into suitable contracts with the owners of existing canals by which its lands are served, to provide for the distribution of the project water supply to which the District is entitled hereunder to the lands which are entitled to receive the same, and such contracts shall provide (1) that such ditch owners shall deliver such water to the lands designated by the District as entitled to receive

the same and shall withhold the delivery of such water from any lands which are not entitled to receive the same under the terms of this contract, and (2) that such water shall be delivered in all respects in full compliance with the terms and provisions of this contract and shall be withheld from any landowner who, by reason of delinquency in payment of charges or for any other reason, is not entitled to receive the same.

LIMITATION OF ACREAGE ENTITLED TO RECEIVE PROJECT WATER

15. The water furnished to the District by the United States under the provisions of this contract shall be distributed in full compliance with the provisions of Section 12 of the Act of Congress of August 13, 1914, (38 Stat. 636) and of Section 46 of the Act of Congress of May 25, 1926, (44 Stat. 636). Pursuant to the provisions of the Reclamation Law, no part of the water supply furnished through the works constructed by the United States under this contract shall be delivered to more than 160 acres of irrigable land in the ownership of any one person. Provided, however, that, if at any time the Congress of the United States should so amend said laws as to allow delivery of water to more than 160 acres of irrigable land in the ownership of one person, then this contract shall be so amended without any action on the part of either of the parties hereto. The rights of the District and its assigns hereunder are subject to the provisions of Section 13 of the Boulder Canyon Project act approved December 21, 1928 (45 Stat. 1064).

DRAINAGE

16. It is understood and agreed that if any drainage should be required in connection with the District lands, the drainage works, if considered feasible, are to be provided either by the District or by the landowners and without cost or expense to the United States, and that the United

States shall be in no way responsible for such drainage or for any damage or claim of damage for seepage, whether resulting from the use of the project water supply or otherwise.

WASTE WATER, SEEPAGE WATER, AND RETURN FLOW

17. It is agreed and understood that the United States does not abandon or relinquish any of the waste or seepage water or return flow water resulting from the use upon lands irrigated thereby of the project water supply including water supplied from said storage reservoir constructed by the United States, but that the same is reserved and intended to be retained for its use and benefit.

SUBSTITUTION OF RETURN FLOW FOR STORED WATER

18. It is agreed and understood that if drainage or return flow project water from any part of the territory of the District shall later become available at points where the same can be used on other portions of the District lands and if such water is of good quality for irrigation, the United States and the District, or either of them, may substitute, in lieu of stored water from the said reservoir, an equal amount of such drainage or return flow water: Provided, the same is delivered into the river or into the ditches supplying said lands at points where the same can be used thereon and is available at the times that such stored water is needed. The landowners who accept the benefits of this contract shall by their acceptance consent to such substitution. As between the District and the Pine River Indian (Southern Ute) Project, drainage and return flow waters are to be used as provided in the said Indian-Reclamation-District contract.

SHORTAGE OF WATER

19. On account of drought, inaccuracy in distribution, or other

causes, there may occur at times a shortage in the water supply for lands of the District, and while the United States, so long as it remains in control of said works, will use all reasonable means to guard against such shortage, in no event shall any liability accrue against the United States, its officers, agents, or employees for any damage, direct or indirect, arising therefrom; nor shall any obligation provided for herein be reduced because of any such shortage or damage.

OPERATION AND MAINTENANCE OF RESERVOIR

20. The District shall at its own cost and expense operate and maintain the project works after notice from the Secretary to the District directing the District to take over operation and maintenance, and thereafter the District shall keep a capable person in charge of said project works.

The selection of such person so employed by the District to have charge of said project works shall be subject to the approval of the Secretary. Upon notice from the Secretary that any manager or superintendent employed by the District and placed in charge of said reservoir is, or has become, unsatisfactory, the District will as often as such notice is given, promptly terminate the employment of such unsatisfactory reservoir manager or superintendent and employ one approved by the Secretary.

The District shall so operate the project works that the lands of the Pine River Indian (Southern Ute) Project may obtain their share of the annual project water supply, as provided in the Indian-Reclamation-District contract. Should the District fail so to operate said project works, the United States may take over control thereof and regulate the reservoir so that said Indian project may obtain its said share of the annual project water supply, as provided in said contract referred to in Article 12 hereof.

OPERATION AND MAINTENANCE CHARGES PAYABLE IN ADVANCE

21. In addition to the payment of the construction charges, as provided in Articles 10 and 11, the District shall pay to the United States each year in advance for such operation and maintenance as may be performed by the United States the cost of such operation and maintenance, as estimated by the Secretary. The total of said operation and maintenance cost due to the United States shall be set forth in an estimate to be furnished each year by the Secretary and shall be due and payable in advance on July 1 of each year for the year beginning on each such date. Said estimate to be so furnished each year shall take account of any probable surplus resulting from the estimate for the previous year being too high. The said Pine River Indian (Southern Ute) Project shall pay its proper proportionate part of the cost of operation and maintenance of said reservoir, whether by the United States or by the District, as provided in the Indian-Reclamation-District contract.

If during any operation and maintenance year (July 1 to June 30) the amount advanced by the District for operation and maintenance for that year, in the opinion of the Secretary, threatens to become insufficient to carry on operation and maintenance for that year, the District shall advance on thirty days' notice the additional amount stated by the Secretary as necessary to finance the operation and maintenance work for that year. On failure of the District to advance any such additional amount, required in the opinion of the Secretary, the United States shall be relieved of any responsibility to continue operation and maintenance work for that year.

INSPECTION AND REPAIR OF RESERVOIR

22. The Secretary, or his representatives, shall at all reasonable times have access to said project works and may inspect the same and investigate the operation and maintenance methods used by the District. The Secretary may require the District either to make any repairs of said works or to do any other work in connection therewith which in his judgment may be necessary for the proper upkeep and maintenance thereof. If the District fails, in the opinion of the Secretary, either to do needed repair or other work, or to keep a capable person in charge of the operation and maintenance of said works, then the Secretary may do the necessary work or supply a capable person to have charge of said irrigation works, and any expense incurred by the United States hereunder may be included by the Secretary in the charges to be paid by the District under Article 23 of this contract.

The United States assumes no responsibility whatever for the safety of the works or the integrity of the managing officers, agents, or employees employed in the operation of the said project works, and the District will hold the United States and its assigns, officers, agents, and employees harmless from any and all claims arising in connection therewith.

OVERHEAD EXPENSES INCLUDING COST OF INSPECTION AND REPAIRS

23. In addition to the charges the payment of which is elsewhere herein provided for, the District shall on March 1 of the calendar year after the first calendar year in which the District operates and maintains the reservoir and on March 1 annually thereafter pay to the United States in each case for the preceding calendar year such

equitable and proper general overhead expense, including the cost of inspection and repairs, as may be determined and apportioned to the District by the Secretary, notice thereof to be given by the Secretary to the District at least thirty days in advance of the respective due dates. Should the Secretary fail to make an estimate for any year (after the first estimate), it will be assumed that the amount is to be the same as for the previous year, and the District will make payment accordingly. Should Congress fail to make appropriations for such purposes, the District will advance the necessary funds to defray same, on or before December 31 of each year, upon estimates furnished by the Secretary on or before April 1 of the year preceding the year for which such estimate is furnished.

INTEREST UPON DELINQUENCY IN PAYMENT

24. All interest previously charged to or which has accrued or is claimed to be accrued against the District on unpaid portions of annual installments of the District as assessed by the Secretary prior to the date of this contract is cancelled as an obligation of the District; provided, that if the District shall fail to pay the annual installments provided for in Article 10 of this contract or if the District shall fail to pay any other sums due the United States as provided for in this contract, such sums shall bear interest at the rate of six (6%) per centum per annum until paid, and the District hereby agrees to pay such interest.

Assessments levied by the District and delinquent from District landowners will be subject to the penalties provided in the State law.

LEVY AND ASSESSMENT OF TAXES BY DISTRICT

25. The District agrees that it will cause to be levied and collected all necessary assessments and will use all the power and resources of the District, including the taxing power of the District, and the power to withhold delivery of water to collect and pay to the United States all charges provided in this contract in full at their maturity.

DEFAULT OF INDIVIDUAL LANDOWNERS

26. The District as a whole is obligated to pay to the United States the full amount herein agreed upon according to the terms stated, regardless of individual default in the payment of any assessment levied by the District, and the District agrees that before each assessment is levied it will make an estimate of the probable delinquencies in the light of then existing delinquencies and will levy assessments in an amount sufficient to meet in full its payments to the United States notwithstanding estimated and existing delinquencies. Should the District ever be in arrears in the payment of any charge due the United States hereunder, the amount assessed for the following year shall be determined by adding to the normal assessment for such year the amount so in arrears plus any estimated delinquency, and in like manner assessments shall be determined each year until all mature and delinquent charges due to the United States from the District have been fully paid.

REFUSAL OF WATER IN CASE OF DEFAULT

27. The United States reserves the right to refuse to deliver water to the District in the event of default for a period of more than twelve months in any payment due the United States from the District,

and for that purpose, if the said works are being operated and maintained by the District, may take over the control of said project works supplying lands of the District and operate and maintain the same. Instead of refusing delivery of water to the District, the United States may, at its option, reduce the amount of water delivered and, in the event of the operation and control of said project works by the United States for the purposes aforesaid, the District will pay to the United States each year in advance and upon demand the estimated cost of said operation and control, and the delivery of water to the District from the reservoir may be withheld to enforce the payment of such estimated cost. Estimated costs will be adjusted to actual costs as soon as is reasonably possible after the close of each irrigation season. The District shall refuse water service to any and all lands in default for more than twelve months in the payment of any construction or operation and maintenance charge of the District, but such nondelivery of water shall not debar the District from levying assessments hereunder against land so in default, and such land shall continue to be assessed until the charges due the United States hereunder shall have been met. The provisions of this article are not exclusive and shall not in any manner hinder the United States from exercising any other remedy to enforce collection of any amount due hereunder.

ALL BENEFITS CONDITIONED UPON PAYMENT

28. Should any assessment or assessments authorized by the terms of this contract and levied against any tract of land in the District be held irregular or void, or the District or its officers be enjoined or restrained at the instance of any owner or holder of land in the

District from making or collecting any assessments upon his land as provided for herein, then such tract shall have no right to any of the benefits of this contract and no water made available from the works constructed by the United States shall be delivered to or for such tract of land. Should the District fail to levy or collect the necessary assessments to pay to the United States the amounts herein agreed to be paid, or should any such levy or assessments made by the District prove to be irregular or void, then the Secretary may proceed to assess the construction and operation and maintenance charges against the lands in the District, or any part thereof, in the manner provided in the said Federal Reclamation laws and may require payment thereof as a condition precedent to the delivery of water, or may himself make an apportionment of any construction or operation and maintenance indebtedness of the District to the United States on the various tracts of land in the District and may issue public notices to the full extent authorized under any of said Federal Reclamation laws; and the Secretary may, by notice to the District, require that no water furnished from any works constructed by the United States shall be delivered to or for any tract or tracts of land in the District until the construction and operation and maintenance charges at the rates and upon the terms and conditions provided for herein, or in the said public notices hereafter issued, shall have been paid or prepaid to the United States. Contracts between the District and the ditch owners for the distribution of the project water supply shall provide for full compliance with the terms of this article. In the event that any assessment levied by the District for the purpose of meeting the payments provided for in this contract is found to be

irregular or void on account of the failure or neglect of the District to comply with any legal requirements, or on account of any legal defect in the proceedings of the District, the District is hereby authorized as fiscal agent of the United States to collect from the lands on which such defective assessment is levied, or from the owners thereof, such lands' proportionate share of the charges provided herein and to require payment or prepayments thereof as a condition precedent to the delivery of water; and shall promptly pay over all such construction collections to the United States and also such operation and maintenance or rental charges (if any) as are due to the United States. It is further agreed and understood that the payment of construction and operation and maintenance charges at the rates and upon the terms and conditions provided for herein, or in the public notices provided for herein and applicable to the lands in question, is a prerequisite to the right to receive water from any of the works constructed by the United States; and no irregularity in levying assessments by the District, nor lack of authority in the District, whether affecting the validity of District assessments or not, shall be held to authorize or permit any landowner of the District to demand or receive water made available through irrigation works constructed by the United States, unless construction and operation and maintenance charges at the rates and upon the terms and conditions provided for herein and in said public notices have been paid by such landowners.

UNITED STATES MAY MAKE CONSISTENT USE
OF RESERVOIR AND STORAGE THEREIN

29. It is agreed that the United States has expended in addition to the \$1,500,000 of reimbursable cost approximately \$1,988,000 of funds

for flood control and other purposes in the construction of the Pine River Project, therefore, the right is retained by the United States to use the Vallecito Dam and Reservoir for flood control and other purposes not inconsistent with any rights acquired therein by the District and the Bureau of Indian Affairs, or either of them, under the provisions of this contract or that certain Memorandum of Understanding between the Bureau of Reclamation and the Office of Indian Affairs dated January 3, 1940, and accepted by the District by that certain agreement of the same date, between the United States and the District.

DISPOSITION OF REVENUES RECEIVED FROM PROPERTY
ACQUIRED AS PART OF THE PROJECT

30. Attached to and made a part hereof is a plat showing the lands and other property used in the construction of the Pine River Project but not required for its operation and maintenance. Said plat also shows the location of all lands and other property including houses or other buildings which are required for the operation and maintenance of the project. The plat is titled, "Vallecito Dam and Appurtenant Facilities", numbered 191-400-49, and is attached hereto as Exhibit A.

All revenues derived from the rental or sale of land, interests in land, or other property, including the houses and other buildings, not required for operation and maintenance of the project works shall be deposited in the United States Treasury and covered into the Reclamation Fund and credited as an offset on project costs not repayable by the District or the Bureau of Indian Affairs. During any period when the United States is operating and maintaining the project works, all miscellaneous revenues derived from land and other property which

is required and used for the operation and maintenance of the project works, including revenues from boating and other uses, shall be deposited in the United States Treasury, to the credit of the appropriation from or under which operation and maintenance expenditures are authorized, for credit to the District and the Bureau of Indian Affairs, five-sixths and one-sixth, respectively, on annual operation and maintenance costs of the project works. During any period when the District is operating the project works all revenues derived from land and property required for operation and maintenance of the project works, including revenues from boating and other uses, shall become the property of the District and the Bureau of Indian Affairs for application, five-sixths and one-sixth, respectively, on the annual cost of the operation and maintenance of such works.

COMPLETION OF PROJECT

31. The United States agrees, upon determination of the Secretary as to work and funds required, to expend not to exceed \$50,000 of non-reimbursable funds in completing the placement of rock rip-rap near the crest of Vallecito Dam, gravel surfacing the roadway across said dam, and in clearing portions of the Vallecito Reservoir area of trees, brush, and other materials.

INSPECTION OF BOOKS AND RECORDS

32. Each party hereto shall have a right during office hours to inspect and make copies of the other party's books and official records relating to the subject matter of this contract.

CHANGES IN ORGANIZATION OF DISTRICT

33. While this contract is in effect, no change will be made in the organization of the District, either by the inclusion or exclusion

of lands, by consolidation or merger with another District, by proceedings to dissolve or otherwise, except upon the written assent thereto of the Secretary.

RULES AND REGULATIONS

34. The Secretary reserves the right, so far as may be consistent with the provisions of this contract, to make rules and regulations, and to add to and to modify them, as may by him be deemed proper and necessary to carry out the true intent and meaning of the law and of this contract and to cover any details of the administration or interpretation of the same which are not covered by express provisions of the contract.

BIRD RESERVE OR WILD LIFE REFUGE

35. Should the United States desire to establish and maintain bird reserves or wild life refuges upon the land acquired for the project works, it shall have the right so to do in a manner not to be inconsistent with rights of the District under this contract. The District agrees that, without the consent of the Secretary or his authorized agent, the water levels in the reservoir created by the construction of the Vallecito Dam will not be drawn below a content of 1,500 acre-feet.

CROP AND OTHER REPORTS

36. The District shall:

(1) Install and maintain a modern set of books of accurate account, to be acceptable to the Secretary, showing all the financial transactions of the District and furnish such financial reports and statements in such form as may be required from time to time by the Secretary;

(2) Keep a reasonably accurate record of all crops raised and agricultural or livestock products produced under the irrigation system of the District and shall furnish the Secretary on or before December 31 of each year a crop report, including the aforesaid data, in form prescribed by the Secretary;

(3) When operating the project works keep each year an accurate record of the project water supply and the disposition of the same, and furnish the Secretary with such detailed reports covering said water supply and its disposition, in such form as is prescribed by the Secretary;

(4) When operating the project works keep such other records in such manner and form as the Secretary may require and submit such reports based thereon as may be required from time to time by the Secretary.

FISHING IN RESERVOIR

37. It is understood between the parties hereto that the public shall be allowed to fish in the reservoir under appropriate restrictions and regulations which shall correspond as nearly as possible with the laws, rules, and regulations prescribed by the State of Colorado relating to fishing, subject to such reasonable regulations as the District may make for the protection of the dam, including the reservoir, buildings, or structures belonging to the project, and for maintaining the purity of the project water supply. There shall be no charge for fishing privileges.

TITLE TO REMAIN IN THE UNITED STATES

38. Title to the project works shall remain in the United States until otherwise provided by the Congress.

PROPERTY INSURANCE

39. The District may at its option carry property insurance with loss payable to the United States and to the District as their interests may appear on all buildings heretofore described as being necessary for the operation and maintenance of the project. In the event that any such buildings are damaged or destroyed by fire while such insurance is effective, the proceeds of such insurance policies shall be used for the purpose of defraying the District's proportionate cost of replacing or repairing such buildings and shall be credited against the operation and maintenance which may be properly assessed against the District on account of necessity of repair or replacement of such buildings.

REPRESENTATIVE OF SECRETARY

40. Where this contract provides for action by the Secretary, such action may be taken for and on behalf of the Secretary by his representatives duly authorized in writing by him.

NOTICES

41. Any notice, demand, or request required or authorized by this contract shall be deemed properly given, except where otherwise herein specifically provided for, when mailed postage prepaid to the Regional Director, Bureau of Reclamation, P.O.Box 360, Salt Lake City 10, Utah, on behalf of the United States, and to the Secretary, Pine River

Irrigation District, Oxford, Colorado, on behalf of the District. The designation of the persons to be notified or the address of such person may be changed at any time by similar notice.

ASSURANCES RELATING TO VALIDITY OF CONTRACT

42. The execution of this contract shall be authorized by the qualified electors of the District at an election held for that purpose. Thereafter, without delay, the District shall prosecute to decree proceedings in court for a judicial confirmation of the proceedings authorizing the execution of this contract by the District, and for a decree finding this contract legal and valid and binding on the District. The District shall furnish the United States for its files two certified copies of such confirmation proceedings.

FAILURE OF APPROPRIATIONS

43. Where the operations of this contract extend beyond the current fiscal year, the contract is made contingent upon Congress making the necessary appropriation for expenditures hereunder after such current year shall have expired. In case such appropriation as may be necessary to carry out this contract is not made, the District hereby releases the United States from all liability owing to the failure of Congress to make such appropriation.

SUCCESSORS AND ASSIGNS OBLIGATED

44. The provisions of this contract shall apply to and bind the successors and assigns of the parties hereto, but no assignment of this contract, or any part thereof or interest therein, shall be valid until approved by the Secretary.

OFFICIALS NOT TO BENEFIT

45. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

IN WITNESS WHEREOF, the parties have hereto signed their names the day and year first above written.

THE UNITED STATES OF AMERICA

By /s/ Fred G. Aandahl
Assistant Secretary

PINE RIVER IRRIGATION DISTRICT

By /s/ Roland Campbell
President

ATTEST: /s/ James F. Core
Secretary

(SEAL)

39

Minutes of Directors' Meeting
Pine River Irrigation District

November 30, 1953

The Board of Directors of the Pine River Irrigation District in and for the Counties of La Plata and Archuleta in the State of Colorado met in a special session pursuant to due notice and call at the Presbyterian Annex at Ignacio, Colorado in said District on the 30th day of November, 1953, at 7:15 o'clock p.m. for the purpose of canvassing the votes on the election as to whether or not the Board of Directors of the Pine River Irrigation District should enter into an Amendatory Contract with the United States of America.

The following directors and officers were present:

Roland Campbell, President
L. E. Campbell, Vice President
Paris G. Engler, Director
James F. Gore, Secretary.

The directors then proceeded to canvass the votes cast at said election and determined that the following votes in accordance with the irrigable acreage classification had been cast:

Amendatory Contract with United States.	Yes.	<u>22,807.7</u>	.
Amendatory Contract with United States.	No.	<u>75.0</u>	.

The directors further determined that according to the official schedules of the Assessors of Archuleta and La Plata Counties issued for the year 1953, being the latest schedule issued by said officials, the total irrigable acreage within the District is 44,027.084 acres and that said election had been carried in favor of the Amendatory Contract by affirmative vote of a majority of the irrigable acreage.

Upon motion of Director Engler, seconded by Director L.E. Campbell, the Board unanimously declared that said election had been carried in favor of the execution of said Amendatory Contract.

There being no further business to come before the meeting, the same was adjourned.

/s/ ROLAND CAMPBELL
President

Attest:

/s/ JAMES F. GORE
Secretary

RESOLUTION

BE IT RESOLVED by the Board of Directors of the Pine River Irrigation District; that

WHEREAS, at a duly called election of the Pine River Irrigation District held on November 30th, 1953 at the Presbyterian Annex at Ignacio, Colorado, the voters of said District authorized the execution of an amendatory contract between the United States of America and the Pine River Irrigation District by vote of 22,807.7 for the contract, and 75.0 against the contract; and

WHEREAS, the Directors of said District deem it advisable to execute said contract.

NOW THEREFORE BE IT RESOLVED by the Board of Directors in special meeting assembled, That Roland Campbell, the President, and James F. Gore, the Secretary of said District, be and they hereby are authorized to execute, in triplicate, said contract.

Roland Campbell
Roland Campbell

L. E. Campbell
L. E. Campbell

Paris G. Engler
Paris Engler

I, James F. Gore, Secretary of the Pine River Irrigation District, do hereby certify that the foregoing Resolution was unanimously adopted by the Directors of the Pine River Irrigation District at a special meeting of said Directors held at Ignacio, Colorado, on the 30th day of November, A. D. 1953, at 7:30 o'clock p. m.

Witness my hand and seal of said District this 18th day of December, 1953.

James F. Gore

(SEAL)