

RESOLUTION NO. 2021-007

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WATER UTILITIES COMMUNITY FACILITIES DISTRICT (CITY OF APACHE JUNCTION, ARIZONA) AUTHORIZING THE EXECUTION OF THE SUBCONTRACT BETWEEN THE UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF RECLAMATION AND THE CENTRAL ARIZONA WATER CONSERVATION DISTRICT FOR 817 ACRE FEET OF NON-INDIAN AGRICULTURAL PRIORITY CENTRAL ARIZONA PROJECT WATER.

WHEREAS, the Arizona Department of Water Resources ("ADWR") in October 2012 began the reallocation of the 96,295 acre feet of Non-Indian Agricultural ("NIA") Priority, Central Arizona Project ("CAP") water, (hereinafter the "NIA Priority Water"), as required by the 2004 Arizona Water Settlement Act and Agreement, Section 104(a)(2)(A); and

WHEREAS, on January 16, 2014, ADWR recommended to the United States Department of the Interior ("DOI") the reallocation of 46,629 acre feet of CAP NIA Priority Water for municipal and industrial uses; and

WHEREAS, On January 16, 2021, DOI issued notice in the Federal Register (86 Fed. Reg. 4119-Jan 15, 2021) of its final decision to reallocate 46,629 acre feet of CAP NIA Priority Water consistent with ADWR's recommendation; and

WHEREAS, the Central Arizona Water Conservation District ("CAWCD"), in coordination with the United States Bureau of Reclamation ("USBOR") has offered the Apache Junction Water Utilities Community Facilities District ("WUCFD"), to use 817 acre feet of CAP NIA Priority Water; and

WHEREAS, to effectuate delivery of this water in 2022, WUCFD must agree to certain terms and conditions in the attached subcontract form (Exhibit A); and

WHEREAS, WUCFD needs the option to use this 817 acre feet of CAP NIA Priority Water to add to its existing water portfolio to meet expected population growth to the City of Apache Junction and such acre feet levels equates to approximately 2,400 new homes in WUCFD's service area.

NOW, THEREFORE, BE IT RESOLVED BY THE CHAIRMAN AND BOARD OF DIRECTORS AS FOLLOWS:

- 1) The Chairman and Board of Directors approve the form of the attached subcontract to effectuate delivery of 817 acre feet of CAP NIA Priority Water to WUCFD.
- 2) The WUCFD Director and/or his designee is authorized to take all steps necessary to carry out the purpose and intent of this resolution and to fulfill all the duties required under the subcontract.

PASSED AND ADOPTED BY THE AJWD CHAIRMAN AND BOARD OF DIRECTORS, THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2021.

SIGNED AND ATTESTED TO THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2021.

\_\_\_\_\_  
WALTER "CHIP" WILSON  
Chairman

ATTEST:

\_\_\_\_\_  
JENNIFER PENA  
District Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
RICHARD J. STERN  
District Attorney

## EXHIBIT A

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION**

**SUBCONTRACT AMONG THE UNITED STATES,  
THE CENTRAL ARIZONA WATER CONSERVATION DISTRICT,  
AND THE APACHE JUNCTION WATER UTILITIES COMMUNITY FACILITIES  
PROVIDING FOR WATER SERVICE**

**CENTRAL ARIZONA PROJECT**

**1. PREAMBLE:**

**THIS SUBCONTRACT**, made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, 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, and the Arizona Water Settlements Act (118 Stat. 3478) ("AWSA"), all collectively hereinafter referred to as the "Federal Reclamation Laws," among the UNITED STATES OF AMERICA, hereinafter referred to as the "United States" or "Contracting Officer" acting through the Secretary of the Interior, the CENTRAL ARIZONA WATER CONSERVATION DISTRICT, hereinafter referred to as the "Contractor," a water conservation district organized under the laws of Arizona, with its principal place of business in Phoenix, Arizona, and the APACHE JUNCTION WATER UTILITIES COMMUNITY FACILITIES DISTRICT hereinafter referred to as the "Subcontractor," with its principal place of business in Apache Junction, Arizona;

**WITNESSETH, THAT:**

**2. EXPLANATORY RECITALS:**

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

**WHEREAS**, pursuant to the provisions of Arizona Revised Statutes §§ 48-3701, *et seq.*, the Contractor has been organized with the power to enter into a contract or contracts with the Secretary of the Interior to accomplish the purposes of Arizona Revised Statutes, §§ 48-3701, *et seq.*; and

**WHEREAS**, pursuant to Section 304(b)(1) of the Colorado River Basin Project Act, the Secretary of the Interior has determined that it is necessary to effect repayment of the 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, Amendment No. 1, dated December 1, 1988, hereinafter referred to as the "Repayment Contract," 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;

**WHEREAS**, as of the date of execution of this Subcontract, and pursuant to the provisions of the Contract between the United States of America and the Central Arizona Water Conservation District for the Transfer of Operation and Maintenance of Facilities dated August 5, 1987, Contract No. 7-07-30-W0167, as amended ("O&M Transfer Agreement"), CAWCD is the Operating Agency.

1                   **WHEREAS**, the United States and CAWCD have entered into the Stipulated  
2 Judgment and the Stipulation for Judgment (including any exhibits to those documents)  
3 entered on November 21, 2007, in the United States District Court for the District of Arizona  
4 in the consolidated civil action styled Central Arizona Water Conservation District v. United  
5 States, et al., and numbered CIV 95-625-TUC-WDB (EHC) and CIV 95-1720-PHX-EHC  
6 (“Stipulation”), which modifies the Repayment Contract in certain respects;

7                   **WHEREAS**, section 104(a)(2) of the AWSA authorizes the reallocation of up  
8 to 96,295 acre-feet of CAP NIA Priority Water to the Arizona Department of Water  
9 Resources (“ADWR”) for further allocation;

10                  **WHEREAS**, on January 16, 2014, the ADWR recommended to the  
11 Secretary of the Interior the reallocation of 46,629 acre-feet of CAP NIA Priority Water for  
12 municipal and industrial uses.

13                  **WHEREAS**, On January 15, 2021, the Department of the Interior issued  
14 notice in the Federal Register of its final decision to reallocate 46,629 acre-feet of CAP  
15 NIA Priority Water consistent with ADWR’s recommendation. 86 Fed. Reg. 4119 (Jan.  
16 15, 2021).

17                  **WHEREAS**, the Subcontractor is in need of a water supply and desires to  
18 subcontract with the United States and the Contractor for water service from CAP NIA  
19 Priority Water supplies available under the Central Arizona Project; and

20                  **WHEREAS**, in accordance with the terms of this Subcontract, water shall  
21 be available for delivery to the Subcontractor;

22                  **NOW THEREFORE**, in consideration of the mutual and dependent  
23 covenants herein contained, it is agreed as follows:  
24  
25  
26

1                   **3.       DEFINITIONS:**

2                   Definitions included in the Repayment Contract and the Stipulation are  
3 applicable to this subcontract. The first letters of terms so defined are capitalized herein.  
4 In addition, the following definitions shall apply to this subcontract

5                   (a)     "Available CAP Supply" shall mean for any given Year all Fourth  
6 Priority Water available for delivery through the Central Arizona Project, water available  
7 from CAP dams and reservoirs other than Modified Roosevelt Dam, and return flows  
8 captured by the Secretary for CAP use.

9                   (b)     "CAP Indian Priority Water" shall mean that water within the Available  
10 CAP Supply having an Indian delivery priority.

11                  (c)     "CAP M&I Priority Water" shall mean that water within the Available  
12 CAP Supply having a municipal and industrial delivery priority.

13                  (d)     "CAP NIA Priority Water" shall mean that water within the available  
14 CAP Supply having a non-Indian agricultural delivery priority.

15                  (e)     "Operating Agreement" shall mean the Operating Agreement  
16 between the United States of America and the Central Arizona Water Conservation District  
17 for Operation and Maintenance of the Central Arizona Project, dated June 15, 2000.

18                  (f)     "System Use Agreement" shall mean the Central Arizona Project  
19 System Use Agreement between the United States and the Central Arizona Water  
20 Conservation District, Agreement No. 17-XX-30-W0622, dated February 2, 2017,  
21 including any amendments thereto.

22                   **4.       DELIVERY OF WATER:**

23                   4.1     Obligations of the United States. Subject to the terms, conditions,  
24 and provisions set forth herein and in the Repayment Contract, during such periods as it  
25 operates and maintains the Project Works, the United States shall deliver Project Water  
26 for M&I use by the Subcontractor. The United States shall use all reasonable diligence to

1 make available to the Subcontractor the quantity of Project Water specified in the schedule  
2 submitted by the Subcontractor in accordance with Article 4.4. After transfer of OM&R to  
3 the Operating Agency, the United States shall make deliveries of Project Water to the  
4 Operating Agency which shall make subsequent delivery to the Subcontractor as provided  
5 herein.

6 4.2 Term of Subcontract. This subcontract shall become effective upon  
7 the later of: (i) the date on which it is confirmed as provided for in Article 6.12; and (ii) the  
8 date on which the Subcontractor has paid or provided for payment of past CAP NIA Priority  
9 water service capital charges and 9(d) debt charges as required by the Contractor. This  
10 subcontract shall be for permanent service as that term is used in Section 5 of the Boulder  
11 Canyon Project Act of 1928, 43 U.S.C. §617d. Project Water shall be delivered under the  
12 terms of this subcontract for a period of 100 years beginning January 1 of the Year  
13 following that in which the subcontract becomes effective; provided, that this subcontract  
14 may be renewed upon written request by the Subcontractor upon terms and conditions of  
15 renewal to be agreed upon not later than 1 year prior to the expiration of this subcontract;  
16 and provided, further, that such terms and conditions shall be consistent with Article 9.9  
17 of the Repayment Contract.

18 4.3 Conditions Relating to Delivery and Use. Delivery and use of water  
19 under this subcontract is conditioned on the following, and the Subcontractor hereby  
20 agrees that:

21 (a) All uses of Project Water and Return Flow shall be consistent  
22 with Arizona water law unless such law is inconsistent with the Congressional directives  
23 applicable to the Central Arizona Project.

24 (b) The system or systems through which water for Agricultural,  
25 M&I (including underground storage), and Miscellaneous purposes is conveyed after  
26 delivery to the Subcontractor shall consist of pipelines, canals, distribution systems, or



1 other conduits provided and maintained with linings adequate in the Contracting Officer's  
2 judgment to prevent excessive conveyance losses.

3 (c) The Subcontractor shall not pump, or within its legal authority,  
4 permit others to pump ground water from within the exterior boundaries of the  
5 Subcontractor's service area, which has been delineated on a map filed with the Con-  
6 tractor and approved by the Contractor and the Contracting Officer, for use outside of said  
7 service area unless such pumping is permitted under Title 45, Chapter 2, Arizona Revised  
8 Statutes, as it may be amended from time to time, and the Contracting Officer, the  
9 Contractor, and the Subcontractor shall agree, or shall have previously agreed, that a  
10 surplus of ground water exists and drainage is or was required; provided, however, that  
11 such pumping may be approved by the Contracting Officer and the Contractor, and  
12 approval shall not be unreasonably withheld, if such pumping is in accord with the Basin  
13 Project Act and upon submittal by the Subcontractor of a written certification from the  
14 Arizona Department of Water Resources or its successor agency that the pumping and  
15 transportation of ground water is in accord with Title 45, Chapter 2, Arizona Revised  
16 Statutes, as it may be amended from time to time.

17 (d) The Subcontractor shall not sell, lease, exchange, forbear or  
18 otherwise transfer Project Water; provided, however, that this does not prohibit exchanges  
19 of Project Water within the State of Arizona covered by separate agreements approved by  
20 the Contracting Officer and Contractor; and provided, further, that this does not prohibit  
21 effluent exchanges with Indian tribes pursuant to Article 6.2; and provided, further, that  
22 this does not prohibit the resale or exchange of Project Water within the State of Arizona  
23 pursuant to Subarticle 4.3(e).

24 (e) (i) Project Water scheduled for delivery in any Year under  
25 this subcontract may be used by the Subcontractor or resold, or exchanged by the  
26 Subcontractor pursuant to appropriate agreements approved by the Contracting Officer

1 and the Contractor. If said water is resold or exchanged by the Subcontractor for an  
2 amount in excess of that which the Subcontractor is obligated to pay under this  
3 subcontract, the excess amount shall be paid forthwith by the Subcontractor to the  
4 Contractor for application against the Contractor's Repayment Obligation to the United  
5 States; provided, however, that the Subcontractor shall be entitled to recover actual costs  
6 of transportation, treatment, and distribution, including but not limited to capital costs and  
7 OM&R costs.

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

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

20 (f) Notwithstanding any other provision of this subcontract,  
21 Project Water shall not be delivered to the Subcontractor unless and until the  
22 Subcontractor has obtained final environmental clearance from the United States for the  
23 system or systems through which Project Water is to be conveyed after delivery to the  
24 Subcontractor at project turnout(s). Such system(s) shall include all pipelines, canals,  
25 distribution systems, treatment, storage, and other facilities through or in which Project  
26 Water is conveyed, stored, or treated after delivery to the Subcontractor at the

1 Subcontractor's Project turnout(s). In each instance, final environmental clearance will be  
2 based upon a review by the United States of the Subcontractor's plans for taking and using  
3 Project Water and will be given or withheld by the United States in accordance with the  
4 Final Environmental Assessment - Arizona Department of Water Resources  
5 Recommendation for the Reallocation of Non-Indian Agricultural Priority Central Arizona  
6 Project Water in Accordance with the Arizona Water Settlements Act of 2004 (November  
7 8, 2019) and the National Environmental Policy Act of 1969 (83 Stat. 852). Any additional  
8 action(s) required on behalf of the Subcontractor in order to obtain final environmental  
9 clearance from the United States will be identified to the Subcontractor by the United  
10 States, and no Project Water shall be delivered to the Subcontractor unless and until the  
11 Subcontractor has completed all such action(s) to the satisfaction of the United States.

12 4.4 Procedure for Ordering Water.

13 (a) The amounts, times, and rates of delivery of Project Water to  
14 the Subcontractor shall be in accordance with a water delivery schedule for that Year.  
15 Such schedule shall be determined in the following manner:

16 (i) On or before October 1 of each Year, the Subcontractor  
17 shall submit in writing to the Contractor a water delivery schedule indicating the amounts  
18 of Project Water desired by the Subcontractor during each month of the following Year  
19 along with a preliminary estimate of Project Water desired for the succeeding 2 years.

20 (ii) Upon receipt of the schedule, the Contractor shall  
21 review it and, after consultation with the Subcontractor, and except as provided in  
22 Subarticle 4.4(a)(iii), shall make only such modifications to the schedule as are necessary  
23 to ensure that the amounts, times, and rates of delivery to the Subcontractor are consistent  
24 with the delivery capability of the Project, considering, among other things, the availability  
25 of water, the delivery schedules of all subcontractors and Section 11 of the System Use  
26

1 Agreement; provided, that this provision shall not be construed to reduce annual deliveries  
2 to the Subcontractor.

3 (iii) If the Contracting Officer determines, in consultation  
4 with the Operating Agency, that the amount of Project Water that will be available for  
5 delivery as CAP NIA Priority Water is insufficient to meet all the requests for delivery of  
6 CAP NIA Priority Water for the following Year as set forth in Article 4.7, the Contractor  
7 shall notify the Subcontractor of the quantity of CAP NIA Priority Water available to the  
8 Subcontractor for that following Year. Within five (5) business days of such notice, the  
9 Subcontractor shall submit an amended water delivery schedule to the Contractor  
10 reflecting the amount of CAP NIA Priority Water requested by the Subcontractor for the  
11 following Year up to the reduced quantity available. Upon receipt of the amended  
12 schedule, the Contractor shall review it and, after consultation with the Subcontractor,  
13 shall make only such modifications to the schedule as are necessary to ensure that the  
14 amounts, times, and rates of delivery to the Subcontractor are consistent with the delivery  
15 capability of the Project, considering, among other things, the availability of water, the  
16 delivery schedules of all subcontractors and Section 11 of the System Use Agreement;  
17 provided, that this provision shall not be construed to reduce annual deliveries to the  
18 Subcontractor, except as required by Article 4.7.

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

24 (b) The monthly water delivery schedules may be amended upon  
25 the Subcontractor's written request to the Contractor. Proposed amendments shall be  
26 submitted by the Subcontractor to the Contractor no later than 15 days before the desired

1 change is to become effective, and shall be subject to review and modification in like  
2 manner as the schedule. The Contractor shall notify the Subcontractor of its action on the  
3 Subcontractor's requested schedule modification within 10 days of the Contractor's receipt  
4 of such request.

5 (c) The Contractor and the Subcontractor shall hold the United  
6 States, its officers, agents, and employees, harmless on account of damage or claim of  
7 damage of any nature whatsoever arising out of or connected with the actions of the  
8 Contractor regarding water delivery schedules furnished to the Subcontractor.

9 (d) In no event shall the Contracting Officer or the Contractor be  
10 required to deliver to the Subcontractor from the Water Supply System in any one month  
11 a total amount of Project Water greater than eleven percent (11%) of the Subcontractor's  
12 maximum entitlement; provided, however, that the Contractor may deliver a greater  
13 percentage in any month if such increased delivery is compatible with the overall delivery  
14 of Project Water as determined by the Contracting Officer and the Contractor and if the  
15 Subcontractor agrees to accept such increased deliveries.

16 4.5 Points of Delivery--Measurement and Responsibility for Distribution  
17 of Water.

18 (a) The water to be furnished to the Subcontractor pursuant to this  
19 subcontract shall be delivered at existing turnouts, or new turnouts at such points on the  
20 Water Supply System as may be agreed upon in writing by the Contracting Officer and the  
21 Contractor pursuant to Article 6(d) of the O&M Transfer Contract and Section 12.1 of the  
22 Operating Agreement.

23 (b) Unless the United States and the Subcontractor agree by  
24 contract to the contrary, the Subcontractor shall construct and install, at its sole cost and  
25 expense, connection facilities required to take and convey the water from the turnouts to  
26 the Subcontractor's service area. The Subcontractor shall furnish, for approval of the

1 Contracting Officer, drawings showing the construction to be performed by the  
2 Subcontractor within the Water Supply System right-of-way 6 months before starting said  
3 construction. The facilities may be installed, operated, and maintained on the Water  
4 Supply System right-of-way subject to such reasonable restrictions and regulations as to  
5 type, location, method of installation, operation, and maintenance as may be prescribed  
6 by the Contracting Officer in consultation with the Contractor.

7 (c) All water delivered from the Water Supply System shall be  
8 measured with equipment furnished, installed, operated and maintained by the United  
9 States or the Operating Agency. Upon the request of the Subcontractor or the Contractor,  
10 the accuracy of such measurements shall be investigated by the Contracting Officer or the  
11 Operating Agency, Contractor, and Subcontractor, and any errors which may be mutually  
12 determined to have occurred therein shall be adjusted; provided, that in the event the  
13 parties cannot agree on the required adjustment, the Contracting Officer's determination  
14 shall be conclusive.

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

23 4.6 Temporary Reductions. In addition to the right of the United States  
24 under Subarticle 8.3(a)(iv) of the Repayment Contract temporarily to discontinue or reduce  
25 the amount of water to be delivered, the United States or the Operating Agency may, after  
26 consultation with the Contractor and Contracting Officer, temporarily discontinue or reduce

1 the quantity of water to be furnished to the Subcontractor as herein provided for the  
2 purposes of investigation, inspection, maintenance, repair, or replacement of any of the  
3 Project facilities or any part thereof necessary for the furnishing of water to the  
4 Subcontractor, but so far as feasible the United States or the Operating Agency shall  
5 coordinate any such discontinuance or reduction with the Subcontractor and shall give the  
6 Subcontractor due notice in advance of such temporary discontinuance or reduction,  
7 except in case of emergency, in which case no notice need be given. Neither the United  
8 States, its officers, agents, and employees, nor the Operating Agency, its officers, agents,  
9 and employees, shall be liable for damages when, for any reason whatsoever, any such  
10 temporary discontinuance or reduction in delivery of water occurs. If any such  
11 discontinuance or temporary reduction results in deliveries to the Subcontractor of less  
12 water than what has been paid for in advance, the Contractor shall reconcile any such  
13 advance payments as provided in Subarticle 5.1(c).  
14

15 4.7 Priority in Case of Shortage. As soon as is practicable after  
16 October 1, the Contracting Officer shall determine, in consultation with the Operating  
17 Agency, the availability of CAP NIA Priority Water consistent with the Available CAP  
18 Supply and delivery schedules submitted by CAP contractors and subcontractors. The  
19 determination of such supply shall be consistent with the AWSA and Paragraph 4 of  
20 Amendment 2 to the Repayment Contract dated November 30, 2007, as set forth in  
21 Exhibit A.  
22

23 (a) Any Available CAP Supply remaining after all requests for  
24 delivery of CAP Indian Priority Water and CAP M&I Priority Water have been satisfied  
25 shall become available for delivery as CAP NIA Priority Water.  
26

1 (b) If the Available CAP Supply is insufficient to meet the requests  
2 for delivery of CAP NIA Priority Water by CAP NIA Priority Contractors and CAP NIA  
3 Priority Subcontractors, then the Secretary and the Operating Agency shall pro-rate the  
4 CAP NIA Priority Water to the CAP Contractors and CAP Subcontractors holding such  
5 entitlements on the basis of the quantity of CAP NIA Priority Water used by each such  
6 CAP NIA Priority Contractor or CAP NIA Priority Subcontractor in the last Year in which  
7 the Available CAP Supply was sufficient to fill all orders for CAP NIA Priority Water,  
8 consistent with the settlements authorized, ratified and confirmed in the AWSA.  
9

10 (c) Any CAP NIA Priority Water remaining after the pro-rata  
11 distribution set forth in Subarticle 4.7(b) will be made available to CAP NIA Priority Water  
12 Contractors and Subcontractors pro-rata on the basis of the difference between the  
13 volume of water requested for delivery and the volume of water distributed under  
14 Subarticle 4.7(b).  
15

16 (d) Nothing in this Article 4.7 shall be construed to allow or  
17 authorize any CAP Contractor or CAP Subcontractor to receive, pursuant to such  
18 contracts, CAP water in amounts greater than such contractor's entitlement.  
19

#### 20 4.8 Secretarial Control of Return Flow.

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



1 Flow is not being put to a beneficial use. The Subcontractor may recapture and reuse or  
2 sell its Return Flow; provided, however, that such Return Flow may not be sold for use  
3 outside Maricopa, Pinal, and Pima Counties; and provided, further, that this does not  
4 prohibit effluent exchanges with Indian tribes pursuant to Article 6.2. The Subcontractor  
5 shall, at least 60 days in advance of any proposed sale of such water, furnish the following  
6 information in writing to the Contracting Officer and the Contractor:  
7

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

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

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

11 (b) The price charged for the Return Flow may cover the cost  
12 incurred by the Subcontractor for Project Water plus the cost required to make the Return  
13 Flow usable. If the price received for the Return Flow is greater than the costs incurred  
14 by the Subcontractor, as described above, the excess amount shall be forthwith returned  
15 by the Subcontractor to the Contractor for application against the Contractor's Repayment  
16 Obligation to the United States. Costs required to make Return Flow usable shall include  
17 but not be limited to capital costs and OM&R costs including transportation, treatment, and  
18 distribution, and the portion thereof that may be retained by the Subcontractor shall be  
19 subject to the advance approval of the Contractor and the Contracting Officer.  
20

21 (c) Any Return Flow captured by the United States and  
22 determined by the Contracting Officer and the Contractor to be suitable and available for  
23 use by the Subcontractor may be delivered by the United States or Operating Agency to  
24 the Subcontractor as a part of the water supply for which the Subcontractor subcontracts  
25  
26

1 hereunder and such water shall be accounted and paid for pursuant to the provisions  
2 hereof.

3 (d) All capture, recapture, use, reuse, and sale of Return Flow  
4 under this article shall be in accord with Arizona water law unless such law is inconsistent  
5 with the Congressional directives applicable to the Central Arizona Project.  
6

7 4.9 Water and Air Pollution Control. The Subcontractor, in carrying out  
8 this subcontract, shall comply with all applicable water and air pollution laws and  
9 regulations of the United States and the State of Arizona and shall obtain all required  
10 permits or licenses from the appropriate Federal, State, or local authorities.

11 4.10 Quality of Water. The operation and maintenance of Project facilities  
12 shall be performed in such manner as is practicable to maintain the quality of water made  
13 available through such facilities at the highest level reasonably attainable as determined  
14 by the Contracting Officer. Neither the United States, the Contractor, nor the Operating  
15 Agency warrants the quality of water and is under no obligation to construct or furnish  
16 water treatment facilities to maintain or better the quality of water. The Subcontractor  
17 waives its right to make a claim against the United States, the Operating Agency, and the  
18 Contractor, because of changes in water quality caused by the commingling of Project  
19 Water with other water.  
20

21 4.11 Exchange Water.  
22

23 (a) Where the Contracting Officer determines the Subcontractor is  
24 physically able to receive Colorado River mainstream water through the Project Works in  
25 exchange for or in replacement of existing supplies of water from surface sources other  
26 than the Colorado River, the Contracting Officer may require that the Subcontractor accept

1 said mainstream water in exchange for or in replacement of said existing supplies pursuant  
2 to the provisions of Section 304(d) of the Basin Project Act; provided, however, that a  
3 subcontractor on the Project aqueduct shall not be required to enter into exchanges in  
4 which existing supplies of water from surface sources are diverted for use by other  
5 subcontractors downstream on the Project aqueduct.  
6

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

#### 14 4.12 Entitlement to CAP NIA Priority Water.

15 (a) The Subcontractor is entitled to delivery of an annual  
16 maximum of 817 acre-feet of CAP NIA Priority Water for M&I uses including but not limited  
17 to underground storage.  
18

19 (b) The Subcontractor's entitlement to CAP NIA Priority Water  
20 under this subcontract shall be separate from any other entitlement to Project Water  
21 available to the Subcontractor. This Subcontract neither modifies nor supersedes the  
22 Subcontractor's existing entitlements or subcontracts, if any.  
23

24 4.13 Retention of Priority. In accordance with section 104(a)(3) of the  
25 AWSA, all Project Water delivered for M&I use under this Subcontract shall remain CAP  
26 NIA Priority Water.

1                   **5.     PAYMENTS:**

2                   5.1     Water Service Charges for Payment of Operation, Maintenance, and  
3                   Replacement Costs.

4                   (a) Prior to October 1 of each Year, the Contractor shall notify the  
5                   Subcontractor of the published OM&R rate per acre foot of water based on the estimated  
6                   OM&R costs and water deliveries for the following Year. All estimates of OM&R costs  
7                   shall be accompanied by data and computations relied on by the Contractor in determining  
8                   the amounts of the estimated OM&R costs and shall be subject to joint review by the  
9                   Subcontractor and the Contractor. Provided, however, if during the Year, in the opinion of  
10                  the Contractor the amount of any annual OM&R estimated costs is likely to be insufficient  
11                  to cover the above-mentioned costs during such period, the Contractor may, at the  
12                  Contractor's discretion, increase the annual estimate of the Subcontractor's OM&R costs  
13                  by written notice thereof to the Subcontractor, and the revised OM&R rate shall apply to  
14                  all remaining monthly invoices.  
15

16                  (b) Subject to the provisions of Article 5.4 hereof, the Subcontractor  
17                  shall pay in advance for its share of Project OM&R costs estimated to be incurred by the  
18                  United States or the Operating Agency. The Contractor will submit monthly invoices for  
19                  the monthly volumes of water scheduled by the Subcontractor, due in the month prior to  
20                  delivery. All invoices have net 30-day terms. The Contractor may, at the Contractor's  
21                  discretion, offer equalized or alternative payment schedules.  
22

23                  (c) By March 1 of each Year, the Contractor shall reconcile amounts  
24                  paid in the prior Year by the Subcontractor to the volume of water delivered and any  
25                  applicable provisions of Subarticle 4.3(e).  
26

1 (d) By May 1 of each Year, the Contractor shall determine the actual  
2 OM&R rate for the prior Year based on actual OM&R costs and water volumes and shall  
3 calculate the difference between the actual OM&R rate and the published OM&R rate.  
4 Based on the Subcontractor's actual deliveries and any applicable provisions of Subarticle  
5 4.3(e), the Contractor shall issue an invoice or credit to the Subcontractor for any  
6 difference.  
7

8 5.2 M&I Water Service Charges.

9 (a) Subject to the provisions of Article 5.4 hereof and in addition  
10 to the OM&R payments required in Article 5.1 hereof, the Subcontractor shall, in advance  
11 of the delivery of CAP NIA Priority Water by the United States or the Operating Agency,  
12 make payment to the Contractor in equal semiannual installments of an M&I Water service  
13 capital charge based on a maximum entitlement of 817 acre-feet per year multiplied by  
14 the rate established by the Contractor for that year.  
15

16 (b) The M&I Water service capital charge may be adjusted  
17 periodically by the Contractor as a result of repayment determinations provided for in the  
18 Repayment Contract and Stipulation and to reflect all sources of revenue, but said charge  
19 per acre-foot shall not be greater than the amount required to amortize Project capital  
20 costs allocated to the M&I function and determined by the Contracting Officer to be a part  
21 of the Contractor's Repayment Obligation. Such amortization shall include interest at  
22 3.342 percent per annum. If any adjustment is made in the M&I Water service capital  
23 charge, notice thereof shall be given by the Contractor to the United States and to the  
24 Subcontractor on or before June 30 of the Year preceding the Year the adjusted charge  
25 becomes effective. The M&I Water service capital charge payment for the initial Year shall  
26

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

8 (c) Payment of all M&I Water service capital and corresponding  
9 OM&R charges becoming due hereunder prior to or on the dates stipulated in Articles 5.1  
10 and 5.2 is a condition precedent to receiving Project Water under this subcontract.

11 (d) All payments to be made to the Contractor or the United States  
12 under Articles 5.1 and 5.2 hereof shall be made by the Subcontractor as such payments  
13 fall due from revenues legally available to the Subcontractor for such payment from the  
14 sale of water to its water users and from any and all other sources which might be legally  
15 available; Provided, That no portion of the general taxing authority of the Subcontractor,  
16 nor its general funds, nor funds from ad valorem taxes are obligated by the provisions of  
17 this subcontract, nor shall such sources be liable for the payments, contributions, and  
18 other costs pursuant to this subcontract, or to satisfy any obligation hereunder unless duly  
19 and lawfully allocated and budgeted for such purpose by the Subcontractor for the  
20 applicable budget year; and Provided, further, That no portion of this agreement shall ever  
21 be construed to create an obligation superior in lien to or on a parity with the  
22 Subcontractor's revenue bonds now or hereafter issued. The Subcontractor shall levy and  
23 impose such necessary water service charges and rates and use all the authority and  
24 resources available to it to collect all such necessary water service charges and rates in  
25  
26

1 order that the Subcontractor may meet its obligations hereunder and make in full all  
2 payments required under this subcontract on or before the date such payments become  
3 due.

4           5.3   Loss of Entitlement. The Subcontractor shall have no right to delivery  
5 of water from Project facilities during any period in which the Subcontractor may be in  
6 arrears in the payment of any charges due the Contractor. The Contractor may sell to  
7 another entity any water determined to be available under the Subcontractor's entitlement  
8 for which payment is in arrears; provided, however, that the Subcontractor may regain the  
9 right to use any unsold portion of the water determined to be available under the original  
10 entitlement upon payment of all delinquent charges plus any difference between the  
11 subcontractual obligation and the price received in the sale of the water by the Contractor  
12 and payment of charges for the current period.  
13

14           5.4   Refusal to Accept Delivery. In the event the Subcontractor fails or  
15 refuses in any Year to accept delivery of the quantity of water available for delivery to and  
16 scheduled for delivery by the Subcontractor pursuant to this subcontract, said failure or  
17 refusal shall not relieve the Subcontractor of its obligation to make the payments required  
18 in this subcontract under Article 5.1, except as provided in Article 4.3(e). The  
19 Subcontractor's obligation to make the payments required under Article 5.2(a) shall apply  
20 regardless of the quantity of water scheduled or available for delivery in any Year.  
21

22           5.5   Charge for Late Payments. The Subcontractor shall pay a late  
23 payment charge on installments or charges that are received after the due date. The late  
24 payment charge percentage rate calculated by the Department of the Treasury and  
25 published quarterly in the Federal Register shall be used; provided, that the late payment  
26

1 charge percentage rate shall not be less than 0.5 percent per month. The late payment  
2 charge percentage rate applied on an overdue payment shall remain in effect until  
3 payment is received. The late payment rate for a 30-day period shall be determined on  
4 the day immediately following the due date and shall be applied to the overdue payment  
5 for any portion of the 30-day period of delinquency. In the case of partial late payments,  
6 the amount received shall first be applied to the late charge on the overdue payment and  
7 then to the overdue payment.  
8

9 **6. GENERAL PROVISIONS:**

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

21 6.2 Effluent Exchanges. The Subcontractor may enter into direct effluent  
22 exchanges with Indian entities that have received an allocation of Project Water and  
23 receive all benefits from the exchange.

24 6.3 Notices. Any notice, demand or request authorized or required by  
25 this subcontract shall be deemed to have been given when mailed, postage prepaid, or  
26 delivered to the Regional Director, Lower Colorado Basin Region, Bureau of Reclamation,



1 P.O. Box 61470, Boulder City, Nevada 89006-1470, on behalf of the Contractor or  
2 Subcontractor; to the Central Arizona Water Conservation District, P. O. Box 43020,  
3 Phoenix, Arizona 85080, on behalf of the United States or Subcontractor; and to the Water  
4 District Director, Michael Loggins, 300 East Superstition Blvd., Building D, Apache  
5 Junction, Arizona 85119, on behalf of the United States or Contractor. The designation of  
6 the addressee or the address may be changed by notice given in the same manner as  
7 provided in this Article for other notices.  
8

9           6.4    Change in Operating Agency. If at any time during the term of this  
10 Subcontract the Contractor and the Operating Agency are not the same entity, the  
11 Contractor agrees to coordinate and cooperate with the Operating Agency on any  
12 obligations of the Contractor under this Subcontract that pertain to the operation of the  
13 Central Arizona Project and delivery of Project Water hereunder.  
14

15           6.5    Rules, Regulations, and Determinations.

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

24           (b)    Where the terms of this subcontract provide for action to be  
25 based upon the opinion or determination of any party to this subcontract, whether or not  
26 stated to be conclusive, said terms shall not be construed as permitting such action to be

1 predicated upon arbitrary, capricious, or unreasonable opinions or determinations. In the  
2 event that the Contractor or Subcontractor questions any factual determination made by  
3 the Contracting Officer, the findings as to the facts shall be made by the Secretary only  
4 after consultation with the Contractor or Subcontractor and shall be conclusive upon the  
5 parties.

6  
7 6.6 Officials Not to Benefit.

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

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

15  
16 6.7 Assignment Limited--Successors and Assigns Obligated. The  
17 provisions of this subcontract shall apply to and bind the successors and assigns of the  
18 parties hereto, but no assignment or transfer of this subcontract or any part or interest  
19 therein shall be valid until approved by the Contracting Officer.

20 6.8 Judicial Remedies Not Foreclosed. Nothing herein shall be construed  
21 (a) as depriving any party from pursuing and prosecuting any remedy in any appropriate  
22 court of the United States or the State of Arizona which would otherwise be available to  
23 such parties even though provisions herein may declare that determinations or decisions  
24 of the Secretary or other persons are conclusive or (b) as depriving any party of any  
25 defense thereto which would otherwise be available.  
26

1                   6.9    Books, Records, and Reports. The Subcontractor shall establish and  
2 maintain accounts and other books and records pertaining to its financial transactions,  
3 land use and crop census, water supply, water use, changes of Project works, and to other  
4 matters as the Contracting Officer may require. Reports thereon shall be furnished to the  
5 Contracting Officer in such form and on such date or dates as he may require. Subject to  
6 applicable Federal laws and regulations, each party shall have the right during office hours  
7 to examine and make copies of each other's books and records relating to matters covered  
8 by this subcontract.  
9

10                   6.10   Equal Employment Opportunity.

11                   During the performance of this subcontract, the Subcontractor agrees as  
12 follows:  
13

14                   (a) The Subcontractor will not discriminate against any employee or  
15 applicant for employment because of race, color, religion, sex, sexual orientation, gender  
16 identity, or national origin. The Subcontractor will take affirmative action to ensure that  
17 applicants are employed, and that employees are treated during employment, without  
18 regard to their race, color, religion, sex, sexual orientation, gender identity, or national  
19 origin. Such action shall include, but not be limited to the following: employment,  
20 upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or  
21 termination; rates of pay or other forms of compensation; and selection for training,  
22 including apprenticeship. The Subcontractor agrees to post in conspicuous places,  
23 available to employees and applicants for employment, notices to be provided by the  
24 Contracting Officer setting forth the provisions of this nondiscrimination clause.  
25  
26

1 (b) The Subcontractor will, in all solicitations or advancements for  
2 employees placed by or on behalf of the Subcontractor, state that all qualified applicants  
3 will receive consideration for employment without regard to race, color, religion, sex,  
4 sexual orientation, gender identity, or national origin.

5 (c) The Subcontractor will not discharge or in any other manner  
6 discriminate against any employee or applicant for employment because such employee  
7 or applicant has inquired about, discussed, or disclosed the compensation of the  
8 employee or applicant or another employee or applicant. This provision shall not apply to  
9 instances in which an employee who has access to the compensation information of other  
10 employees or applicants as a part of such employee's essential job functions discloses  
11 the compensation of such other employees or applicants to individuals who do not  
12 otherwise have access to such information, unless such disclosure is in response to a  
13 formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or  
14 action, including an investigation conducted by the employer, or is consistent with the  
15 contractor's legal duty to furnish information.  
16

17 (d) The Subcontractor will send to each labor union or representative  
18 of workers with which he has a collective bargaining agreement or other contract or  
19 understanding, a notice, to be provided by the agency Contracting Officer, advising the  
20 labor union or workers' representative of the Subcontractor's commitments under section  
21 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the  
22 notice in conspicuous places available to employees and applicants for employment.  
23  
24  
25  
26

1 (e) The Subcontractor will comply with all provisions of Executive  
2 Order No. 11246 of Sept. 24, 1965, and of the rules, regulations, and relevant orders of  
3 the Secretary of Labor.

4 (f) The Subcontractor will furnish all information and reports required  
5 by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and  
6 orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books,  
7 records, and accounts by the Contracting Agency and the Secretary of Labor for purposes  
8 of investigation to ascertain compliance with such rules, regulations, and orders.  
9

10 (g) In the event of the Subcontractor's noncompliance with the  
11 nondiscrimination clauses of this contract or with any of such rules, regulations, or orders,  
12 this subcontract may be canceled, terminated or suspended in whole or in part and the  
13 Subcontractor may be declared ineligible for further Government contracts in accordance  
14 with procedures authorized in Executive Order No. 11246 of Sept. 24, 1965, and such  
15 other sanctions may be imposed and remedies invoked as provided in Executive Order  
16 No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor,  
17 or as otherwise provided by law.  
18

19 (h) The Subcontractor will include the provisions of paragraphs (a)  
20 through (h) in every subcontract or purchase order unless exempted by the rules,  
21 regulations, or orders of the Secretary of Labor issued pursuant to section 204 of  
22 Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding  
23 upon each subcontractor or vendor. The Subcontractor will take such action with respect  
24 to any subcontract or purchase order as may be directed by the Secretary of Labor as a  
25 means of enforcing such provisions, including sanctions for noncompliance: Provided,  
26

1 however, that in the event the Subcontractor becomes involved in, or is threatened with,  
2 litigation with a subcontractor or vendor as a result of such direction, the Subcontractor  
3 may request the United States to enter into such litigation to protect the interests of the  
4 United States.

5  
6 6.11 Compliance With Civil Rights Laws and Regulations

7 (a) The Subcontractor shall comply with Title VI of the Civil Rights  
8 Act of 1964 (Pub. L. 88-352; 42 U.S.C. § 2000d), the Rehabilitation Act of 1973 (Pub. L.  
9 93-112, Title V, as amended; 29 U.S.C. § 791, et seq.), the Age Discrimination Act of 1975  
10 (Pub. L. 94-135, Title III; 42 U.S.C. § 6101, et seq.), Title II of the Americans with  
11 Disabilities Act of 1990 (Pub. L. 101-336; 42 U.S.C. § 12131, et seq.), and any other  
12 applicable civil rights laws, and with the applicable implementing regulations and any  
13 guidelines imposed by the U.S. Department of the Interior and/or Bureau of Reclamation.  
14

15 (b) These statutes prohibit any person in the United States from being  
16 excluded from participation in, being denied the benefits of, or being otherwise subjected  
17 to discrimination under any program or activity receiving financial assistance from the  
18 Bureau of Reclamation on the grounds of race, color, national origin, disability, or age. By  
19 executing this subcontract, the Subcontractor agrees to immediately take any measures  
20 necessary to implement this obligation, including permitting officials of the United States  
21 to inspect premises, programs, and documents.  
22

23 (c) The Subcontractor makes this agreement in consideration of and  
24 for the purpose of obtaining any and all Federal grants, loans, contracts, property  
25 discounts, or other Federal financial assistance extended after the date hereof to the  
26 Subcontractor by the Bureau of Reclamation, including installment payments after such

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

5 (d) Complaints of discrimination against the Subcontractor shall be  
6 investigated by the Contracting Officer's Office of Civil Rights.  
7

8 6.12 Confirmation of Subcontract. The Subcontractor shall promptly seek  
9 a final decree of the proper court of the State of Arizona approving and confirming the  
10 subcontract and decreeing and adjudging it to be lawful, valid, and binding on the  
11 Subcontractor. The Subcontractor shall furnish to the United States a certified copy of  
12 such decree and of all pertinent supporting records. This subcontract shall not be binding  
13 on the United States, the Contractor, or the Subcontractor until such final decree has been  
14 entered.  
15

16 6.13 Contingent on Appropriation or Allotment of Funds. The expenditure  
17 or advance of any money or the performance of any work by the United States hereunder  
18 which may require appropriation of money by the Congress or the allotment of funds shall  
19 be contingent upon such appropriation or allotment being made. The failure of the  
20 Congress to appropriate funds or the absence of any allotment of funds shall not relieve  
21 the Subcontractor from any obligation under this subcontract. No liability shall accrue to  
22 the United States in case such funds are not appropriated or allotted.  
23

24 IN WITNESS WHEREOF, the parties hereto have executed this subcontract  
25 No. 21-XX-30-W0698 the day and year first above-written.  
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**THE UNITED STATES OF AMERICA**

By: \_\_\_\_\_  
Regional Director  
Lower Colorado Basin Region  
Bureau of Reclamation

**CENTRAL ARIZONA WATER  
CONSERVATION DISTRICT**

Attest: \_\_\_\_\_  
Alexandra M. Arboleda  
Secretary

By: \_\_\_\_\_  
Terry Goddard  
President

**APACHE JUNCTION WATER  
UTILITIES COMMUNITY FACILITIES  
DISTRICT**

Attest: \_\_\_\_\_  
  
Title: \_\_\_\_\_

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