



# United States Department of the Interior

BUREAU OF RECLAMATION  
Upper Colorado Region  
Provo Area Office  
302 East 1860 South  
Provo, UT 84606-7317

IN REPLY REFER TO:

PRO-751  
WTR-4.10

MAY 19 2011

Kent L. Jones, P.E.  
State Engineer  
Division of Water Rights  
1594 West North Temple, Suite 220  
Salt Lake City, UT 84116-3154

Subject: Water Rights Agreement Between the State of Utah and the United States of America  
(41-3479, 41-3516, 41-3529, 41-3532, 49-1654, 89-1595, 89-1596, 89-1614, 89-1616,  
97-2237, 91-5075, 92-638, 92-656, and 93-3750) – Central Utah Project

Dear Mr. Jones:

Enclosed please find a copy of the May 6, 2011, executed "Agreement among the State of Utah and the United States for Securing the Central Utah Project Water Supply." The parties to this agreement have agreed to modify the administration of Water Right Nos. 41-3479, 41-3516, 41-3529, 41-3532, 49-1654, 89-1595, 89-1596, 89-1614, 89-1616, 97-2237, and any portion of Water Right Nos. 91-5075, 92-638, 92-656, and 93-3750 not currently covered by a proof.

Please contact Mr. Justin Record at 801-379-1072 if you have any questions regarding this agreement or letter.

Sincerely,

Curtis A. Pledger  
Area Manager

Enclosure - Copy

cc: Mr. Don A. Christiansen  
General Manager, Central Utah  
Water Conservancy District  
355 West University Parkway  
Orem, UT 84058-7303  
(w/encl-copy)

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Mr. Randy Crozier  
General Manager, Duchesne County  
Water Conservancy District  
855 East 200 North  
Roosevelt, UT 84066  
(w/encl-copy)

Mr. Gawain Snow  
General Manager, Uintah  
Water Conservancy District  
78 West 3325 North  
Vernal, UT 84078  
(w/encl-copy)

Mr. Dennis J. Strong  
Director, Utah Division of Natural Resources  
P.O. Box 146201  
Salt Lake City, UT 84114-6201  
(encl-original sent under different cover letter)

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**WATER RIGHTS  
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**AGREEMENT  
AMONG  
THE STATE OF UTAH AND THE UNITED STATES  
FOR SECURING THE CENTRAL UTAH PROJECT WATER SUPPLY**

This Agreement is made this 6<sup>th</sup> day of May, 2011, among: the UNITED STATES OF AMERICA, acting through the Bureau of Reclamation and the Central Utah Project Completion Act Office, pursuant to the Act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, specifically the Reclamation Projects Authorization and Adjustment Act of 1992, dated October 30, 1992 (P.L. 102-575), and the State of Utah, acting through the Utah Board of Water Resources.

**I. Background**

A. In 1956, Congress authorized the Colorado River Storage Project Act with the Central Utah Project as a participating project. Since that time, the United States has expended approximately \$3.0 billion in the planning and construction of the Central Utah Project's Bonneville Unit, Jensen Unit, Vernal Unit, and Uinta Basin Replacement Project. The Ultimate Phase of the Central Utah Project would have conveyed water from Flaming Gorge Reservoir to the Uinta Basin. The Ultimate Phase water uses were covered under the Bureau of Reclamation's acquired Water Right No. 41-2963 (A30414) with a 1958 priority date. The Ultimate Phase was never constructed. On March 3, 1995, the consumptive water use associated with the Ultimate Phase was separated from Water Right No. 41-2963 (A30414) and assigned the Water Right No. 41-3479 (A30414d). Water Right No. 41-2963 (A30414) retained the right to store up to 3.8 million acre-feet from the Green River in Flaming Gorge Reservoir for hydropower use and all other water uses listed in Colorado River Storage Act. Water Right No. 41-3479 (A30414d) allowed for a maximum annual diversion of 447,500 acre-feet and a maximum annual depletion of 158,800 acre-feet of stored water in Flaming Gorge Reservoir.

B. On March 12, 1996, the Bureau of Reclamation, the Central Utah Project Completion Act Office, and the State of Utah executed the Assignment of Water Right No. 41-3479 (A30414d) from the United States of America to the State of Utah (Assignment), conveying Water Right No. 41-3479 (A30414d) to the State of Utah, subject to certain conditions. At the time of assignment, only twelve years remained to develop the water right. In that short period of time, full development was considered by all the parties to be extremely unlikely.

C. In 2008, the Utah State Legislature passed, and the Governor signed, House Bill 18 which amended Section 73-3-12 of the Utah Code Annotated. This amendment extended the period during which public entities may develop water rights to beyond the fifty years previously allowed. As a result, the prospect for full development of Water Right No 41-3479 (A30414d) increased substantially.

D. The constructed portions of the Central Utah Project provide water for municipal and industrial, irrigation, fish and wildlife, flood control, and power purposes. Each of these relies upon waters tributary to the Green River and water rights with 1964 priority dates. Full development of Water Right No 41-3479 (A30414d), with its 1958 priority, raises the possibility that Water Right No 41-3479 (A30414d) could call out and create shortages adversely affecting the previously developed portions of the Central Utah Project thus diminishing the benefit of the public's substantial investment in the Project.

E. Since 1996, the State of Utah, through the Utah Board of Water Resources, has segregated and transferred portions of Water Right No. 41-3479 (A30414d) to various water users to assist in the development of water projects in the Colorado River Basin.

F. After the various segregations, 299,684 acre-feet of diversion and 74,055 acre-feet of depletion remain in Water Right No. 41-3479 (A30414d). This water right continues to be held by the Utah Board of Water Resources and is reserved for the planned Lake Powell Pipeline project.

G. The Utah Board of Water Resources also holds several segregated portions of Water Right No. 41-3479 (A30414d) which have been assigned various water right numbers. These segregated water rights had been transferred to various water users through contracts with the Utah Board of Water Resources. However, because these water rights were not developed within the time frame allowed by contract, the ownership of these water rights reverted back to the Utah Board of Water Resources. These segregated portions are now being reserved for the Lake Powell Pipeline project.

H. In the interest of securing the water supply for the previously developed portions of the Central Utah Project, the Utah Board of Water Resources passed a motion on January 20, 2010, agreeing to subordinate the priority of Water Right No. 41-3479 (A30414d) and all segregated portions it holds title to, making these rights junior to the water rights for the Bonneville Unit of the Central Utah Project. This motion was based on the condition that the Duchesne County Water Conservancy District and the Uintah Water Conservancy District subordinate the priority of the segregated portions of Water Right No. 41-3479 (A30414d) which they acquired, making them equal in priority to the water rights held for the Bonneville Unit of the Central Utah Project.

I. On May 26, 2010, the Duchesne County Water Conservancy District and the Uintah Water Conservancy District signed an agreement that subordinated the priority of segregated portions of Water Right No. 41-3479 (A30414d) which they acquired, making them equal to the priority of water rights held for the Bonneville Unit of the Central Utah Project.

J. To extend the period allowed for development of water rights associated with Water Right No. 41-3479 (A30414d), in October 2009 the Utah Board of Water Resources filed for an extension of the development period in accordance with Section 73-3-12 of the Utah Code Annotated, as amended.

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II. Agreement – The Parties agree as follows:

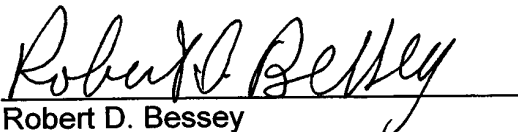
A. In the interest of securing the water supply for the Central Utah Project, the Utah Board of Water Resources submitted a request for extension of time to develop Water Right No. 41-3479 (A30414d). This request will also apply to Water Right Nos. 41-3516 (A30414dj), 41-3529 (A30414du), 41-3532 (A30414dx), 49-1654 (A30414dg), 89-1595 (A30414dn), 89-1596 (A30414dna), 89-1614 (A30414dm), 89-1616 (A30414dma), and 97-2237(A30414dq) which are all segregated portions of Water Right No. 41-3479 (A30414d). This request applies to any part of the following water rights that are not covered by currently filed proofs: Water Right Nos. 91-5075 (A30414dw1), 92-638 (A30414dw), 92-656 (A30414dwb), and 93-3750 (A30414dw2) which are also all segregated portions of Water Right No. 41-3479 (A30414d). The Utah Board of Water Resource's will request that the State of Utah, through the Utah State Engineer, administer these water rights as junior in priority to the Bonneville Unit of the Central Utah Project water rights in perpetuity while retaining their original priority date with respect to other non-project water rights.

B. The Utah Board of Water Resources agrees that if there is a priority call on the Central Utah Project water rights that could be at least partially mitigated by a reduction in the use of the amended water rights listed in Section A, the Utah Board of Water Resources will stop diversions and depletions under these rights to protect the Bonneville Unit of the Central Utah Project water rights.

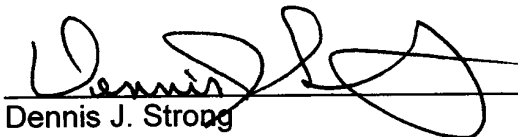
C. The Utah Board of Water Resources agrees that the conditions of this contract will apply to all future segregations and future owners of the amended water rights listed in Sections A and B above that occur after the date this contract is signed.

III. Signature

IN WITNESS WHEREOF, the parties have executed this Agreement on this 6<sup>th</sup> day of May, 2011.



Robert D. Bessey  
Chairman, Utah Board of Water Resources

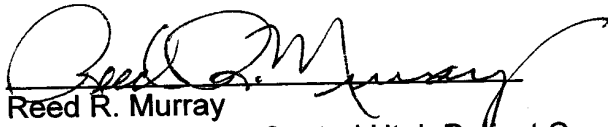


Dennis J. Strong  
Director, Utah Division of Water Resources

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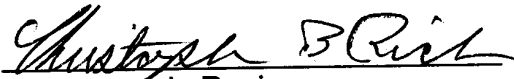


Reed R. Murray  
Program Director, Central Utah Project Completion Act Office  
Department of the Interior



Curt A. Pledger  
Manager, Provo Area Office  
Bureau of Reclamation

APPROVED



Intermountain Region  
Office of the Solicitor

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