**RESOLUTION NO. 09-03-2025-\_\_\_\_**

**A RESOLUTION AUTHORIZING THE EXECUTION OF THE UNITED STATES OF AMERICA, DEPARTMENT OF THE INTERIOR, BUREAU OF RECLAMATION STRAWBERRY VALLEY PROJECT CONTRACT FOR THE USE OF STRAWBERRY VALLEY PROJECT WATER FOR MISCELLANEOUS PURPOSES.**

**AND**

**UNITED STATES DEPARTMENT OF INTERIOR, BUREAU OF RECLAMATION, STRAWBERRY VALLEY PROJECT, UTAH THIRD-PARTY CONTRACTS FOR CHANGE OF USE OF PROJECT WATER TO MISCELLANEOUS PURPOSES.**

**WHEREAS**, pursuant to the Reclamation Act, Reclamation constructed the Strawberry Valley Project (SVP or Project), consisting, in part, of the original Strawberry Dam, the Strawberry Reservoir, and the Strawberry Tunnel, for the purpose of collecting, storing, and conducting a trans-basin diversion of water from tributaries of the Duchesne River into south Utah County; and

**WHEREAS,** in connection with the SVP, Reclamation acquired the rights to water from certain sources, including water from tributaries of the Duchesne River, accretion flows in the Strawberry Tunnel, and natural high-water flows in the Spanish Fork River; and

**WHEREAS**, in 1940 Reclamation and SWUA entered into Amendatory Contract No. Ilr-78, which supersedes and takes the place of contracts between the United State and SWUA dates September 28, 1926, and November 20, 1928, and which obligates SWUA to repay to Reclamation certain Project costs, operate and maintain certain Project facilities, and assume Reclamation’s obligations under the Delivery Contracts; and

**WHEREAS**, under Reclamation law and policy, the 1991 Contract Water, the Accretion Flows, and the SVP High Flow Water (all as defined in the contract attached herein and collectively Project Water), are restricted and limited to use for agricultural purposes, and uses incidental thereto, and are appurtenant to the lands on which they are used; and

**WHEREAS**, south Utah County is experiencing high levels of population growth and development, which requires the use of water for municipal and industrial purposes; and

**WHEREAS**, on January 10, 2023 , the SWUA Board of Directors requested via letter that the Secretary of the Interior (Secretary) allow the use of the Project Water for purposes other than irrigation, under the authority of the Sale of Water for Miscellaneous Purposes Act of 1920; and

**WHEREAS**, on April 5, 2023, the Strawberry Highline Canal Company (SHLCC) Board of Directors approved a resolution requesting that Reclamation initiate the process to allow Project Water to be used for miscellaneous purposes and negotiate a contract for this action; and

**WHEREAS,** Reclamation has constructed the Strawberry Valley Project (SVP or Project), for the purpose of delivering water to the users thereof for irrigation and other incidental purposes; and

**WHEREAS,** the Miscellaneous Purposes Act of February 25, 1920 (43 USC §521) (1920 Act) provides the authority for the Secretary of the Interior to enter into contracts to supply water form any irrigation project system for purposes other than irrigation, which provides greater flexibility in how and where the SVP Project Water may be used; and

**WHEREAS,** September 18. 2025, various parties intend to enter into Contract No. 25-WC-40-1015 with Reclamation (1920 Act Contract) to allow Project Water to be converted to miscellaneous purposes consistent with the terms of the 1920 Act Contract, a copy of which is attached hereto as Exhibit A, and incorporated herein by this reference. While the 1920 Act Contract allows for the potential change in use of the entire Project Water supply from Irrigation to Miscellaneous Purposes, Project Water can only be used for Miscellaneous Purposes after an approved Third-Party Contract has been executed; and

**WHEREAS,** Whereas the SVP Shareholder desires to use for miscellaneous purposes all or a portion of the Project Water to which such SVP Shareholder is entitled, to transfer all or a portion of the Project Water to which such SVP shareholder is entitled for continued Irrigation use within the service area of another Canal Company, in the manner described in and Exhibit attached to the Third Party Contracts; and

**WHEREAS,** the parties hereto desire to enter into Third-Party Contract, a template copy of which is attached hereto as Exhibit B, to provide for the delivery, use, and payment for a portion of the Project Water for purposes other than irrigation, consistent with the requirements of the 1920 Act.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF PAYSON CITY**, that Mayor William R. Wright is authorized to enter into and execute the UNITED STATES OF AMERICA, DEPARTMENT OF THE INTERIOR, BUREAU OF RECLAMATION STRAWBERRY VALLEY PROJECT CONTRACT FOR THE USE OF STRAWBERRY VALLEY PROJECT WATER FOR MISCELLANEOUS PURPOSES as attached herein.

(AGREEMENT ATTACHED HERETO AND INCORPORATED HEREIN)

This Resolution shall take effect immediately upon its passage by the Payson City Council adopted in a public meeting.

Passed and adopted by the City Council of Payson City and effective this the 3rd day of September, 2025.

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William R. Wright, Mayor

Attest:

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Kim E. Holindrake, City Recorder